



ECONOMIC DEVELOPMENT COMMITTEE

DATE: September 19, 2017
(Tuesday)
TIME: 5:30 – 7:30 p.m.
LOCATION: Room 209
Portland City Hall

A G E N D A

1. **Review and accept Minutes of previous meeting held on August 22, 2017.**
2. **Review, discuss, and provide a recommendation to the City Council on proposed Purchase and Sale Agreements for former Public Works Properties in Bayside, namely:**
 - a) 56 Parris Street to Jack Soley;
 - b) 82 Hanover Street to Tom Watson;
 - c) 65 Hanover Street to Barrett Made; and,
 - d) 178 Kennebec Street to Ross Furman.

Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to discuss real estate negotiations for the above properties.

See attached memorandum from Greg Mitchell.

3. **Review, discuss, and provide a recommendation to the City Council on placing certain tax-acquired vacant land parcels, certain vacant City land parcels, and a donated parcel into the Land Bank in the Redlon area of Portland.**

See attached memorandum from Greg Mitchell.

Public comment will be taken on action items.

Next Committee Meeting: October 3, 2017.

Councilor David Brenerman, Chair

Minutes
Economic Development Committee
August 22, 2017

A meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, August 22, 2017 at 5:30 p.m. in Room 209 of Portland City Hall. Present from the Committee was its Chair Councilor David Brenerman and members Councilors Pious Ali and Spencer Thibodeau. Also present from the City Council was Mayor Ethan Strimling. Present from the City staff were Director of Parks, Recreation, and Facilities Sally DeLuca, Associate Corporation Counsel Michael Goldman, Parks Director Ethan Hipple, City Manager Jon Jennings, Finance Director Brendan O'Connell, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and HCD Program Manager Kristin Styles.

Chair Brenerman noted that Item #3 on the Agenda will be moved to the end of the meeting due to the executive session that will take place.

Item #1: Review and accept Minutes of previous meeting held on July 25, 2017.

On motion made and seconded, the Committee voted unanimously to accept the Minutes as published.

Item #2: Presentation on Portland Landing Project for Committee discussion only.

Mr. Hipple presented the attached PowerPoint to the Committee, noting that the name of what is now known as the Amethyst Lot is proposed to be "Portland Landing". This is the result of meetings with the consultant - Stantec, stakeholders, and City staff. Portland Landing would provide access to the water and on water to access Portland. This is the last remaining undeveloped property on the Portland waterfront. It will be a multi-use area open to everyone, including Moon Tide Park with any area for fishing. Mr. Hipple described the various elevations

in the design, the promenade along the entire park, network of trails, seating and picnic areas, and space for events. There will be access for charter boats, water taxis, and schooners, together with some vehicle parking. He also described the bridge that would be constructed – needing to have a sewer main diverted – and a natural area/tidal pool under the bridge for exploration. The pilings would remain with boaters to go around them.

Mr. Jennings added that he requested staff to come up with a design; costs would be discussed later to not hinder creativity as this would affect generations to come. The Council will determine final cost and funding allocation. The design is estimated at approximately \$16 Million and was discussed at a recent meeting. He applauded the working group and project manager Bill Needelman for getting this design concept to where it is now.

Councilor Thibodeau asked if the project were to be done in phases would it be more cost efficient, and Mr. Jennings said that the entire sea wall needs shoring-up and should be done all at the same time, and that the project should be done without phasing to have a finished public area for the waterfront.

Councilor Ali asked about the timeline for the project, and Mr. Hipple estimated two years for full build-out.

Chair Brenerman asked about staffing and security costs for Portland Landing, particularly due to the proposed topography and visitors, and Mr. Hipple said that this has not been factored into this concept at this time, but this would be considered for maintenance and security.

Councilor Ali asked if this was the final design, and Mr. Hipple said that this was a schematic design now and there will be additional public input. Mr. Jennings added that the basic elements are included in this concept.

Mayor Strimling noted the \$16 Million cost estimate, and Mr. Jennings indicated that this was something the City wanted to do years ago. He suggested funding possibilities as coming from the upcoming CIP for design work, as well as sale proceeds of the Thames Street lot; TIF funds; and private donations to name a few.

Ms. Deluca said that the City is also working to create a Portland Park Foundation which would help with fundraising.

Chair Brenerman noting consensus to move forward, thanked the staff for the presentation.

Item #4: Continue discussion on Mayor Strimling's proposed amendments to Portland TIF Policy with Mayor update, a panel discussion, and City staff presentations, followed by Committee direction to staff.

Mayor Strimling noted that he would provide an update after the panel discussion.

Chair Brenerman introduced the panel consisting of Tom Driscoll, with E.S. Boulos – a contractor who uses apprentices; Troy Fogg, an apprentice; and John Richardson – attorney and former Speaker of the Maine House of Representatives and former MDECD Commissioner. He then asked for their presentations.

Mr. Driscoll said that he has been in the electrical contracting business for over 50 years, working in Maine and New England. Regarding Apprentice Programs (AP), they provide for on-the-job training and generally two night classes. All contractors are struggling to get people into trade jobs. He has worked with TIFs that require AP, with the resulting apprentices being good future workers. In those jurisdictions where TIFs require AP, he generally tries to get workers from that area.

Mr. Richardson said that while at MDECD he approved many TIFs. He noted that the State statute for TIFs is very broad and flexible. However, municipalities can have their own guidelines, and Portland could lead the way to amend its guidelines based on its values, including AP which he noted that Cincinnati, Ohio just did. Employees in an AP program can build themselves up, improving the middle class. Requiring AP programs in a TIF policy may make it difficult for developers and contractors but they will be able to adjust to changing circumstances. In addition, those in AP programs and building themselves up will get off for example, food stamps and fuel assistance which we pay for, again noting that Portland could be a leader.

Mr. Fogg said that he was in his third year of an AP program with the UA Local working 8 hours day and then 8 hours on Saturday for school. He then described his on-the-job training with a journeyman.

In response to Councilor Thibodeau, Mr. Driscoll described various locales which have such AP requirements, many in the Massachusetts area where he hires from the local unions.

Councilor Thibodeau thanked Mr. Fogg for his service in the Armed Forces and asked how he got introduced to AP. Mr. Fogg said that UA has partnered with military bases to work with Veterans. He had to interview with several UA members and ultimately got in their piping program. He was also taught welding, math, and science at no cost.

Councilor Thibodeau expressed concern for the proposed Portland residency requirement and asked Mr. Fogg if he thought his work was regional, and Mr. Fogg indicated in the affirmative.

Councilor Ali asked about the location of the school classes, and Mr. Fogg indicated in Augusta, adding that there also a Bangor location and online.

Mr. Driscoll then described how his employees are members of a union – IBEW or UA – and how contractors and unions work together, including shared training costs, noting that IBEW provides for health care and pension benefits.

Chair Brenerman asked Mr. Driscoll if he only hired union workers, and Mr. Driscoll answered in the affirmative, noting that those contractors that do not may have their own State-approved AP program like Cianbro.

Chair Brenerman noted that the vast majority of general contractors in Maine are non-union, and Mr. Driscoll agreed.

Chair Brenerman noted that Portland has done 19 TIFs in 23 years, and asked Mr. Richardson about advancing the Mayor's proposed amendments with one project a year. Mr. Richardson noted the Council sets public policy and this can be a start to incentivize developers to pay state prevailing wages and the use of AP.

Chair Brenerman suggested the City instead use TIF proceeds to set up training programs for its residents, and Mr. Richardson said that TIF proceeds can be used for that purpose.

There was discussion concerning paying state prevailing wages, and Mr. Richardson noting that Portland does not often get to that range. Councilor Thibodeau requested any supporting information would be helpful.

Councilor Ali questioned the City requiring contractors to provide AP, and Mr. Richardson said that any certified AP program is a good thing and provides for quality workers.

Chair Brenerman thanked the panel for the time and feedback. He then noted staff presentations would now follow.

Mr. Goldman said that his topic pertains to proposed amendments for hiring Portland residents, minorities, and gender preferences, noting that local hire has been challenged for

discrimination. Before implementing this residency restriction, the City would need facts to justify the rationale for the restriction, to show that non-residents are taking jobs from residents. A study would need to be conducted to determine if this is an issue or not. The same holds true for hiring minorities and women.

Councilor Thibodeau asked about the difference between requiring versus an incentive, and Mr. Goldman said that doing anything that encourages an employer to hire a particular group, without having facts to support the need, is not recommended. Regarding Minority Business Enterprise (MBE), Mr. Goldman said that contracts at the Jetport have MBE requirements because of Federal money received.

Mayor Strimling noted HUD projects and restrictions for low and moderate income individuals, and Mr. Goldman said that income level is not a protected class.

Mr. O'Connell then presented the attached PowerPoint – impacts on TIF recipients and developers. He noted that he contacted all active non-affordable housing TIF recipients and all said that they would have looked elsewhere for projects had the proposed amendments been in place. In talking with 15+ contractors on recent large projects in the City, most pay state prevailing wages or higher. Regarding the local hire and AP provision, contractors have indicated a hardship to find employees anywhere, and most had training programs in place but may not be certified. At the Jetport, a recent parking garage repair project brought in four bids, with only one of them able to meet the prevailing wage requirement. Others may not be paying the state prevailing wages but in the alternative offer a benefit package to be competitive. Mr. O'Connell then displayed various City projects where contractors would not qualify based on the proposed TIF amendments, and they indicated that they would not change their way of doing business to obtain City work.

Ms. Styles said that her office receives Federal grant monies through the HOME and CDBG programs from HUD. This funding source has certain requirements regarding labor and employment rules. For instance, for HUD-assisted housing/public projects, Section 3 of the HUD Act of 1968 requires HUD-assisted activities, *to the greatest extent feasible*, provide job training, employment, and contract opportunities for low or very low income residents or businesses. Regarding the Davis-Bacon Act and the HOME program, the Act is triggered when construction of housing contains 12 or more HOME-assisted units. When the requirement is triggered, it applies to the entire project, not just the HOME-assisted units. Ms. Styles said that since November 2000, not one HOME project has triggered the Davis-Bacon Act requirements.

Regarding the CDBG program, Ms. Styles described the reporting requirements that can take as little as 20 minutes to many hours reviewing Davis-Bacon reports, depending on the quality and accuracy of the reports submitted by the contractors.

Ms. Styles then noted that MSHA does not have funding programs that require prevailing wage rates. She noted that Affordable Housing TIFs are important to these developers, where MSHA provides these developers with more points (up to 6 for financing) when an AHTIF is involved. They would get the 6 points if the TIF was for the maximum allowable term of 30 years, and at 75% capture. The City's policy is a maximum of 65% capture and maximum term of 20 years – so most get 4 points. TIF revenues are returned to the developer to reimburse the capital program or pay debt service/operating costs.

Mr. Mitchell, on that last point, said that the present TIF guidelines limit all TIFs to no more than 65% capture and no more than 20 years. His presentation has been in the packet previously, and then noted that the Council has approved 23 CEAs, with 19 of those moving forward. Of those 19, 5 have expired; 5 are active AHTIFs; 9 are active commercial TIFs, with 4

of these expiring by FYE2019. He then described TIF as a flexible tool for municipalities, with Portland currently having additional requirements over and above State requirements, as well as the tax sheltering value for the municipality saving approximately \$.30 of every TIF dollar sheltered.

Councilor Thibodeau said that changing the TIF limits for affordable housing is one place to start, to increase it to 75% over 30 years, also noting to keep commercial TIFs to 65%/20 years.

Mayor Strimling then provided an update to his proposal (see attached) noting that businesses are signing up for AP; many want to be part of an AP. The Green Building Code is currently not a requirement in the Credit Enhancement Agreement and needs to be added. Regarding paying State Prevailing Wages, nothing has really changed from his previous proposal, noting that this protects the middle class.

Regarding his previous draft for “Local, Diverse, and Veteran Hiring Preference”, Mayor Strimling would encourage Portland to conduct the study as Mr. Goldman suggested, suggesting that GPCOG could possibly start the preliminary work. In the meantime, the current draft takes out that language and instead uses the City’s equal employment opportunity language.

Mayor Strimling said that the AP requirement has been edited a bit and includes that it be registered with the State.

Lastly, regarding the Clawback provision, it has been edited to a penalty provision with the City deducting up to 10% of the amount to be reimbursed to the developer for each year in non-compliance.

Councilor Thibodeau said that he is generally okay with the state prevailing wage requirement. Employee hiring is now fine as written; he also fine with a study being conducted

as Mr. Goldman has recommended before any local, minority, or gender based regulations are added. He noted that he is less likely to support the AP provision, and is also struggling with the penalty provision so would not support it now.

Mr. Mitchell said that TIFs are performance based. If the project does not occur, there is no TIF payment. There is a TIF payment when there is an increase in the original assessed value of the project.

Councilor Thibodeau said that the post construction report and annual reports are fine.

Chair Brenerman said that if this is passed as presented, he would guarantee that there would be no projects in Portland. The developers that the Committee have heard from have indicated this. He would be fine with the Green Building Code requirements in the Credit Enhancement Agreement, as well as extending the limits for AHTIF to 30 years at 75% capture. He would need more information on state prevailing wages, and those contractors not paying those wages but instead offering competitive benefits packages.

Regarding Apprentice Programs, Chair Brenerman said that he would prefer using the City using TIF funds to create its own programs for the industry, perhaps through USM or SMCC.

Regarding penalties, Chair Brenerman said that the developer does not have control over this and did not care for the wording there now.

Chair Brenerman, noting no further discussion, said that this would come back to the Committee with proposed amendments for a recommendation to the City Council.

Item #3: Review and vote to recommend to City Council proposed Purchase and Sale Agreement for 56 Parris Street to Jack Soley or entity to be formed. NOTE: Pursuant

to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session to discuss the proposed Purchase and Sale Agreement terms.

Mr. Mitchell said that under direction of the EDC, the proposed Purchase and Sale Agreement has been negotiated with Jack Soley for 56 Parris Street for a purchase price of \$175,000. This project would provide for 20, 1 bedroom condos, and the City's ordinances would control the project.

Chair Brenerman asked if there was any public comment.

Peter Harrington of Malone Commercial Brokers described the condo configuration, with each having a kitchen, living area, bedroom, and 1 bathroom.

There being no further public comment, the public comment session was closed.

A motion was then made and seconded to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to discuss the proposed Purchase and Sale Agreement terms.

Ms. McCracken asked if there would be a vote after executive session, and the Chair noted that it was not known at this time.

A vote was then taken on the motion and it passed unanimously at approximately 8:50 p.m.

At approximately 9:17, the Committee came out of executive session and a motion was made, seconded, and voted unanimously to table this item; the meeting was then adjourned.

Respectfully, Lori Paulette

Portland Landing Project Timeline

Economic Development Committee

August 2017

Staff Workgroup:

- Bill Needelman, Chair
- Sally DeLuca, Director of Parks, Recreation and Facilities Department
- Ethan Hipple, Parks Director
- Kathy Alves, Public Facilities Director
- Caitlin Cameron, Urban Designer
- Christine Grimando, Senior Planner
- John Peverada, Parking Director
- Justin Pellerin, Public Works

Stakeholder Group

- 60+ individuals representing diverse organizations that utilize or are adjacent to Portland Landing site (Amethyst Lot)
- Groups include: Sail Maine, Parks Commission, Portland Trails, Friends of Ft Gorges, Munjoy Hill Neighborhood Association, Harbor Commission, Public Art Committee, Ripple Effect, Hamilton Marine, and adjacent businesses and property owners.

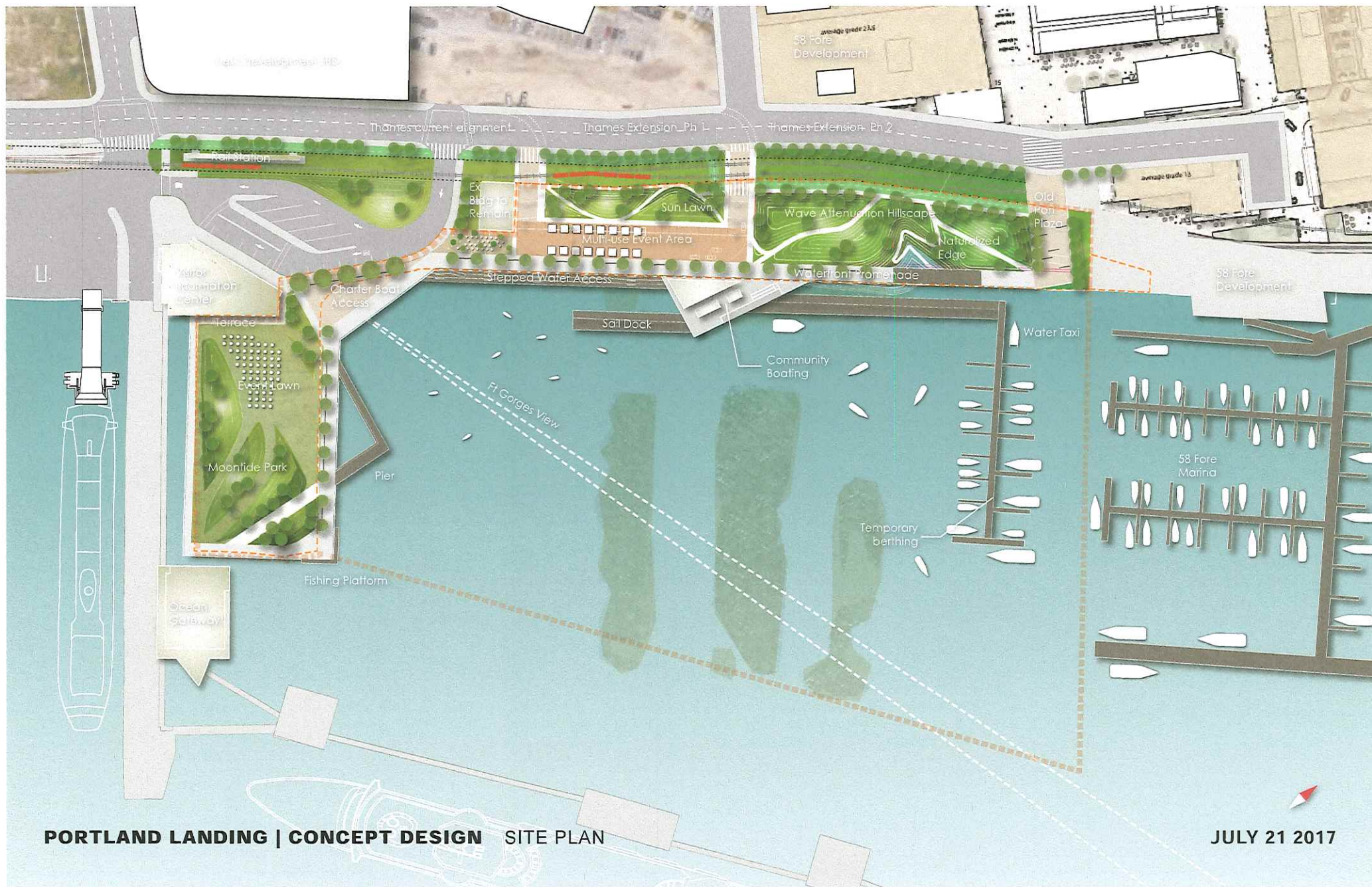
Project Timeline and Public Input

- September 2016: Staff site walk, development of RFP scope
- October 2016: RFP for design firms, Interviews with design finalists
- November 2016: Design firm chosen: Stantec
- January 2017: Stakeholder Kickoff Meeting and Program Development
- February 2017: Program Development and Schematic Design
- March 2017: Stakeholder Workshop, Staff Workshops
- April 2017: Staff refinement of Schematic Design
- April 2017: Staff presentation of Schematic Design to City Manager
- May 2017: Public Meeting for Schematic Design at Ocean Gateway
- June 2017: Staff Meetings to incorporate feedback from Public Meeting
- August 2017: Staff presentation of design to Economic Development Committee

PORTLAND LANDING | MOONTIDE PARK CONCEPT DESIGN

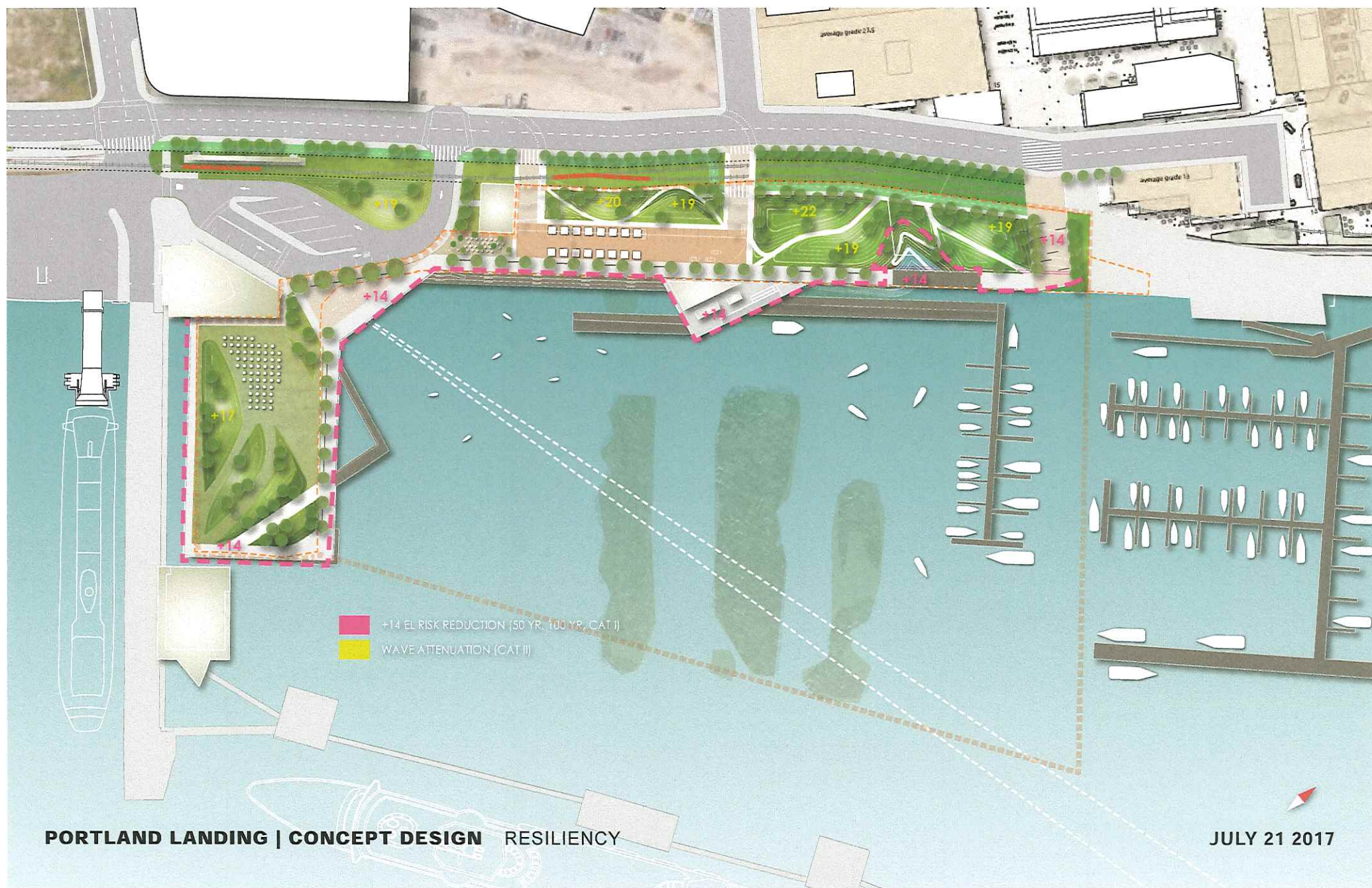
REVISIONS FOLLOWING THE CITY OF PORTLAND PUBLIC MEETING

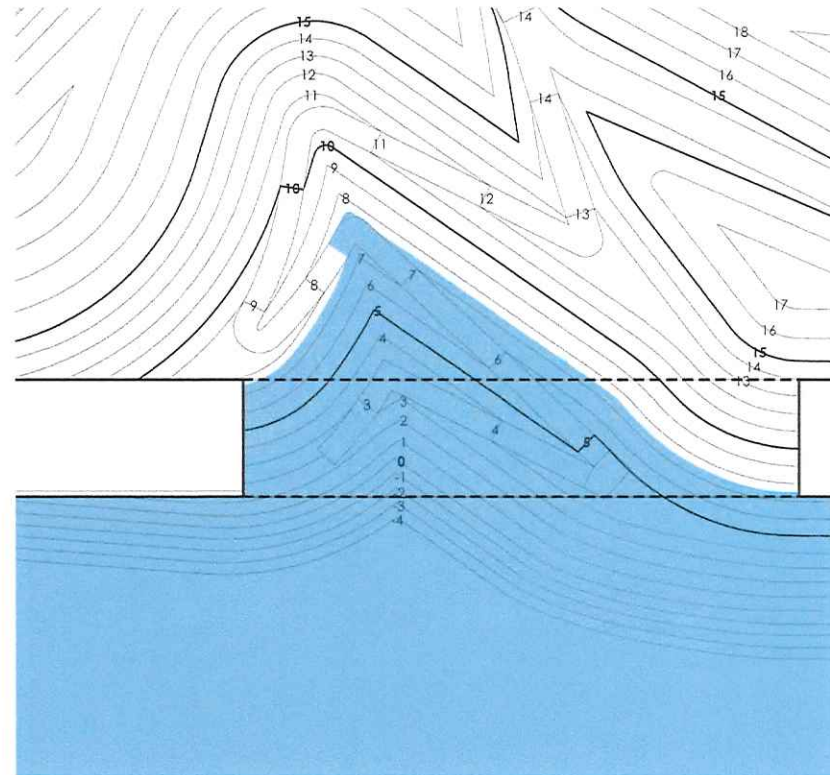
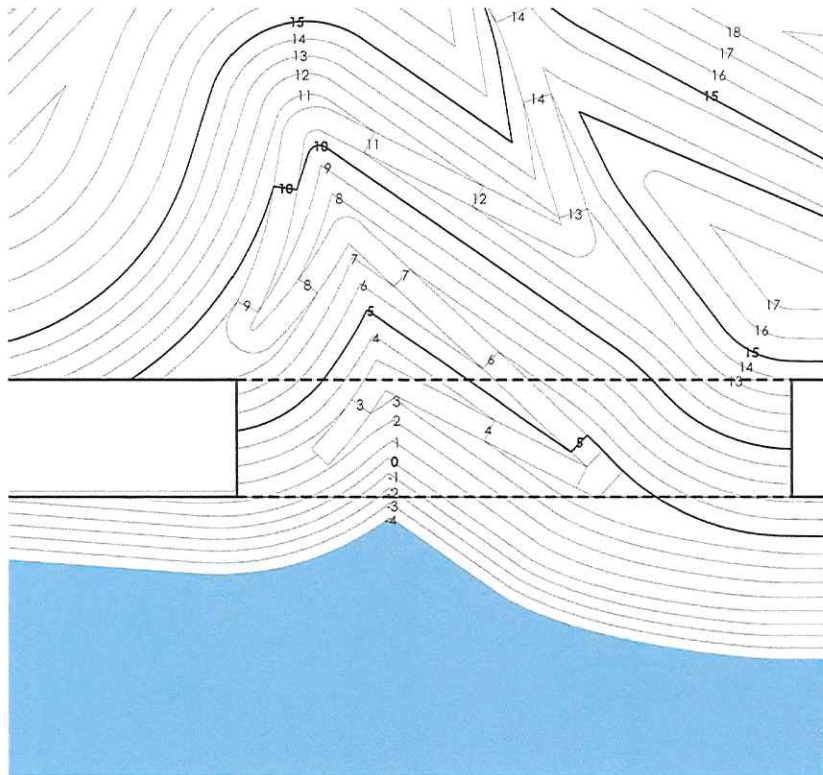
JULY 21 2017



PORTLAND LANDING | CONCEPT DESIGN SITE PLAN

JULY 21 2017





PORTLAND LANDING | CONCEPT DESIGN TIDAL FLUCTUATION AT NORTH PARK

JULY 21 2017

5



PORTLAND LANDING | CONCEPT DESIGN AERIAL VIEW

JULY 21 2017





PORTLAND LANDING | CONCEPT DESIGN FESTIVAL PLAZA FROM WAVE ATTENUATION HILLSCAPE

JULY 21 2017





PORTLAND LANDING | CONCEPT DESIGN MOONTIDE PARK EVENT LAWN

JULY 21 2017

Amethyst Site

6/20/2017

Opinion of Probable Construction Cost - Concept Design (Prepared by Stantec)

Opinion of Probable Construction Cost - Concept Design (Prepared by Stantec)							Cost Allocation by Location/Use			
Item Description	Phase	Unit Cost	Unit	Quantity	Cost	Upland Park	Moon Tide Park	Community Boating	Marine	
Fill Soil Material										
Moon Tide Park	1	\$ 45.50	CY	5000	\$ 227,500.00		\$ 227,500.00			
Pinch Point	1	\$ 45.50	CY	1600	\$ 72,800.00	\$ 72,800.00				
Community Boating/Wharf	1	\$ 45.50	CY	3500	\$ 159,250.00			\$ 159,250.00		
Boardwalk (Full Depth Fill)	1	\$ 45.50	CY	6800	\$ 309,400.00	\$ 309,400.00				
Sun Lawn and Wave Hillside	1	\$ 45.50	CY	7000	\$ 318,500.00	\$ 318,500.00				
Topsoil/Horticultural Soil										
Moon Tide Park	1	\$ 60.00	CY	2400	\$ 144,000.00		\$ 144,000.00			
Sun Lawn and Wave Hillside	1	\$ 60.00	CY	3400	\$ 204,000.00	\$ 204,000.00				
Bulkhead										
Moon Tide Park (Steel Seawall/Bulkhead including structural appurtenances)	1	\$ 770.00	LF	760	\$ 585,200.00		\$ 585,200.00			
Moon Tide Park (Bulkhead Backfill) (incl in Fill Soil Material)		\$ -	CY	0	\$ -		\$ -			
Waterfront (Steel Seawall/Bulkhead)	1	\$ 770.00	LF	800	\$ 616,000.00	\$ 616,000.00				
Waterfront (Bulkhead Backfill) (incl in Fill Soil Material)		\$ -	CY	0	\$ -	\$ -				
Waterfront Pedestrian Bridge	2	\$ 275.00	SF	2200	\$ 605,000.00	\$ 605,000.00				
Excavation										
Sun Lawn and Wave Hillside	1	\$ 30.00	CY	1000	\$ 30,000.00	\$ 30,000.00				
Select Pile Removal (Allowance - Adjacent to Bulkhead)	3	\$ 50,000.00	ALLOW	1	\$ 50,000.00		\$ 50,000.00			
Rock Revetment	1	\$ 250.00	CY	600	\$ 150,000.00	\$ 150,000.00				
Boardwalk, Walks and Paths										
Sun Deck at Pinch Point (Granite Pavers)	1	\$ 45.00	SF	3150	\$ 141,750.00	\$ 141,750.00				
Community Boating/Wharf (Concrete Plank Pavers)	1	\$ 27.00	SF	4025	\$ 108,675.00			\$ 108,675.00		
Moon Tide Park (Perimeter - Concrete Plank Pavers)	3	\$ 27.00	SF	4370	\$ 117,990.00		\$ 117,990.00			
Moon Tide Park (Cross Path - Concrete Plank Pavers)	3	\$ 15.00	SF	1940	\$ 29,100.00		\$ 29,100.00			
Waterfront (Concrete Plank Pavers)	1	\$ 27.00	SF	22710	\$ 613,170.00	\$ 613,170.00				
Pathways / Distinctive (Colored Concrete)	1	\$ 15.00	SF	7500	\$ 112,500.00	\$ 112,500.00				
Event Plaza (Granite Pavers)	1	\$ 45.00	SF	16080	\$ 723,600.00	\$ 723,600.00				
The Old Port Plaza (Granite Pavers)	3	\$ 45.00	SF	6000	\$ 270,000.00	\$ 270,000.00				
Docks and Wood Structures										
Transient Dock (Decking) (Incl. Gangways)	4	\$ 115.00	SF	11870	\$ 1,365,050.00				\$ 1,365,050.00	
Transient Dock (Piles)	4	\$ 62.50	VLF	2600	\$ 162,500.00				\$ 162,500.00	
Step Seating (Decking)	4	\$ 285.00	SF	3300	\$ 940,500.00	\$ 940,500.00				
Step Seating (Piles)	4	\$ 62.50	VLF	4200	\$ 262,500.00	\$ 262,500.00				
Fishing Pier (Decking)	3	\$ 285.00	SF	2420	\$ 689,700.00	\$ 689,700.00				
Fishing Pier (Piles)	3	\$ 62.50	VLF	3050	\$ 190,625.00	\$ 190,625.00				
Floating Dock (Community Boating) (Decking)	5	\$ 115.00	SF	1160	\$ 133,400.00			\$ 133,400.00		
Floating Dock (Community Boating) (Piles)	5	\$ 62.50	VLF	600	\$ 37,500.00			\$ 37,500.00		
Dock Amenities (Cleats)	1	\$ 110.00	LS	200	\$ 22,000.00	\$ 22,000.00				
Structure										
Community Boating Facility	6	\$ 250.00	SF	2000	\$ 500,000.00			\$ 500,000.00		
Edge										
Thames Street Curb (Granite)	1	\$ 60.00	LF	775	\$ 46,500.00	\$ 46,500.00				
Plaza Site Curbing (Granite)	1	\$ 60.00	LF	880	\$ 52,800.00	\$ 52,800.00				

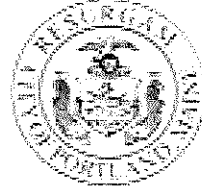
Amethyst Site

6/20/2017

Opinion of Probable Construction Cost - Concept Design (Prepared by Stantec)

Item Description	Phase	Unit Cost	Unit	Quantity	Cost	Cost Allocation by Location/Use			
						Upland Park	Moon Tide Park	Community Boating	Marine
Utilities									
Water (Allowance)	1	\$ 50,000.00	ALLOW	1	\$ 50,000.00	\$ 50,000.00			
Force Main Relocation	1	\$ 1,500.00	LF	400	\$ 600,000.00	\$ 600,000.00			
Electric (Allowance)	1	\$ 50,000.00	ALLOW	1	\$ 50,000.00	\$ 50,000.00			
Lighting									
Decorative/Security (Incl. Foundation)	1	\$ 5,500.00	EA	23	\$ 126,500.00	\$ 126,500.00			
Bollard (Incl. Foundation)	1	\$ 2,500.00	EA	50	\$ 125,000.00	\$ 125,000.00			
Railing									
Waterfront Boardwalk Rail	1	\$ 150.00	LF	1800	\$ 270,000.00	\$ 270,000.00			
Landscape									
Shade Trees	3	\$ 1,200.00	EA	120	\$ 144,000.00	\$ 144,000.00			
Lawn (Sod)	1	\$ 1.00	SF	88000	\$ 88,000.00	\$ 88,000.00			
Ornamental grasses / native grasses	3	\$ 30.00	EA	2500	\$ 75,000.00	\$ 75,000.00			
Site Furnishings (Allowance for benches/trash receptacles)	3	\$ 2,500.00	EA	40	\$ 100,000.00	\$ 100,000.00			
Sub-Total					\$ 11,620,010.00	\$ 7,999,845.00	\$ 1,153,790.00	\$ 938,825.00	\$ 1,527,550.00
Mobilization 5%					\$ 581,000.50	\$ 399,992.25	\$ 57,689.50	\$ 46,941.25	\$ 76,377.50
Contingency 25%					\$ 3,050,252.63	\$ 2,099,959.31	\$ 302,869.88	\$ 246,441.56	\$ 400,981.88
Design Contingency 10%					\$ 1,525,126.31	\$ 1,049,979.66	\$ 151,434.94	\$ 123,220.78	\$ 200,490.94
Total					\$ 16,776,389.44	\$ 11,549,776.22	\$ 1,665,784.31	\$ 1,355,428.59	\$ 2,205,400.31

Portland, Maine



Yes. Life's good here.

Additional Requested Information: Proposed TIF Policy Amendments

GREG MITCHELL – ECONOMIC DEVELOPMENT DIRECTOR

BRENDAN T O'CONNELL - FINANCE DIRECTOR

MATT FITZGERALD – PURCHASING MANAGER

MICHAEL GOLDMAN – ASSOCIATE CORPORATION COUNSEL

MARY DAVIS – HOUSING & COMMUNITY DEVELOPMENT DIRECTOR

KRISTEN STILES – HOUSING & COMMUNITY DEVELOPMENT MANAGER

Outreach on Proposed TIF Requirements

Sources of Information

- Contacted all active, non-affordable housing TIF recipients to obtain responses to questions on proposed TIF requirements and discuss potential impact to their projects
- Contacted 15+ contractors on recent large projects in the City obtain responses to questions on proposed requirements and discuss impact to their operations within the City of Portland

Requirements of Proposed TIF Amendments

1. State Prevailing Wages
2. Local, Diverse, Disadvantaged & Veteran Hiring
3. Apprenticeship / Job Training Program
4. Rewards and Clawback Provisions

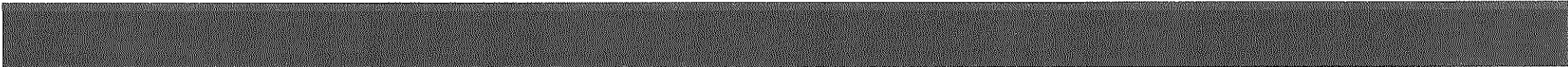
Summary of comments from TIF recipients and contractors

- What problems currently exist that these TIF regulations would address? Are there any?
- Regulations would deter Economic Development within City, causing developers to look elsewhere
- Regulations would deter local contractors from working in City, they'd look elsewhere for work
- Some components of proposed TIF rules would face legal challenges and be costly to administer

Requirement #1

Pay State Prevailing Wages

- Contractors surveyed noted that in most instances they pay at or above State prevailing wages
- With unemployment rates at 2.5% - 3% contractors MUST pay competitive wages to attract employees
- Those surveyed who noted they did not pay full State prevailing wage noted said offer other benefits to ensure total compensation is competitive



Requirement #2

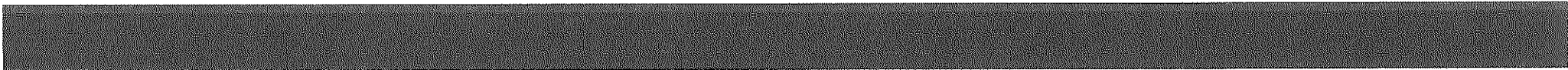
Local, Diverse, Disadvantaged & Veteran Hiring

- See Corporation Counsel memo – Legality concerns, City could face costly legal challenges in court. Contractors concerned about trying to enforce.
- Unemployment rates are low – contractors are already struggling to find talent, regardless of where they live
- Potential alternatives? Programs targeted at jobs for the above population to give them skills they need

Requirement #3

“Bona-Fide” job training program

- Majority of contractors surveyed already have training programs for their specific trades
- Several contractors surveyed offended by term “responsible contractor” ordinances which would exclude them - they view themselves as very responsible with excellent safety records
- Wording of any “bona-fide” job training program must be examined very carefully so as to not eliminate majority of small local contractors – results could have costly impact on projects
- In an already tight bidding environment nearly every local contractor would be eliminated from Portland TIF work, and have noted they would NOT alter their practices to do business in City.

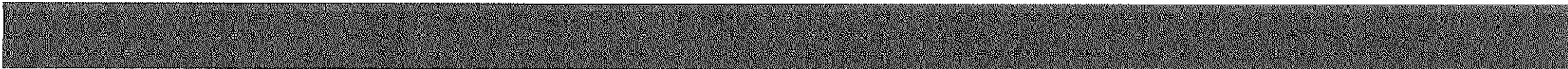


Practical Examples:

Jetport Parking Garage Repairs – Phase II

Contractor Name	Bid Price	Would contractor qualify under proposed training / wage requirements?
DiMatteo Construction (South Portland)	\$1.140M	NO
Hardypond Construction (Portland)	\$1.197M	NO
Doten's Construction (Freeport)	\$1.275M	NO
ACME Waterproofing (Quincy, Massachusetts)	\$1.479M	YES*

If forced to select ACME the contract price would have been 29.7% higher.



Hall School Construction Project

- Only 2 bids received on the project

Contractor Name	Bid Price	Would contractor qualify under proposed TIF requirements?
Arthur C Dudley (Standish)	\$21,205,964	NO
Harvey Construction Corporation (Bedford, NH)	\$21,998,000	NO

Portland Jetport North Aviation Ramp Rehabilitation Project

Contractor Name	Bid Price	Would contractor qualify under proposed TIF requirements?
Shaw Brothers (Gorham)	\$3.236M	NO
A.H. Grover (N. Yarmouth)	\$3.968M	NO
Sargent Corporation (Stillwater)	\$4.122M	NO
Pike Industries (Belmont, NH)	\$4.308M	NO

Deering Street Reconstruction Project

Contractor Name	Bid Price	Would contractor qualify under proposed TIF requirements?
R.E. Coleman (Portland)	\$2.128M	NO
D&C Construction (Rockland, MA)	\$2.219M	NO
Gorham Sand & Gravel (Buxton)	\$2.383M	NO
Sargent Corporation (Stillwater)	\$2.423M	NO

Anderson Street Neighborhood Byway Project Phase 1

Contractor Name	Bid Price	Would contractor qualify under proposed TIF requirements?
Dearborn Brothers (Buxton)	\$632K	NO
Shaw Brothers (Gorham)	\$740K	NO
R.E. Coleman (Portland)	\$937K	NO
Gorham Sand & Gravel (Buxton)	\$944K	NO

Evergreen Cemetery Expansion

Contractor Name	Bid Price	Would contractor qualify under proposed TIF requirements?
R.E. Coleman (Portland)	\$452K	NO
Dearborn Brothers (Buxton)	\$459K	NO
Shaw Brothers (Gorham)	\$494K	NO
Scott Dugas Trucking (Yarmouth)	\$495K	NO
Doten's Construction (Freeport)	\$526K	NO
Shaw Earthworks (Gorham)	\$539K	NO

Requirement #3

“Bona-Fide” job training program

- Potential alternative? Assist in developing program for integrated construction training.
- Successful Lewiston program already in place (first class graduated in June 2017, 100% diverse graduates).
- See attached article from Lewiston-Sun Journal



Requirement #4

Rewards and Clawbacks Provisions

- TIF recipients noted that these provisions would have prevented them from receiving financing, potentially crippling their ability to obtain TIF-structured loans
- John Gallagher, MSHA Director, noted to Committee on June 6th that a Clawback Provision would be awarded zero points on the MSHA funding scale.
- Additional details included in backup materials provided by Mary Davis and Kristin Stiles.

Connections

Login successful.

Lewiston construction graduates celebrate building futures



Connections | Sunday, June 4, 2017

LEWISTON — A group of Lewiston Adult Education students have gained construction and work readiness training along with work experience thanks to local partnerships.

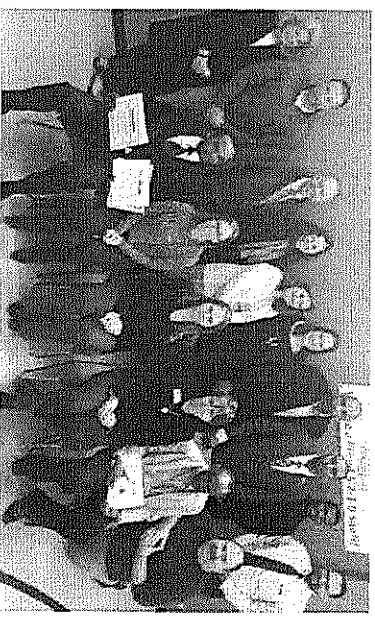
The Lewiston Construction Training Program students celebrated their graduation on April 25 at Tree Street Youth Community Center. The graduates were Isaias Muhumbe, Farah Djireh, Abdulrazzaq Al Masoodi, Abdikani Abdulle and Hussameidin Eminire.

The program used the Integrated Education and Training model, which features class time on construction skills training and communications as well as working with local contractors. Students spent 16 to 24 hours each week on the job with H.E. Callahan, Industrial Roofing Corp. or Hahnel Brothers. Contractors also provided guidance and feedback about the content of the curriculum.

“Based on their input, the curriculum included a Work Ready component, basic math (fractions, decimals, percentages), familiarity with basic hand and power tools and worksite safety training. Successful candidates graduate from the program with Work Ready, OSHA 10 and RRP (lead abatement) credentials as well as eight weeks of hands-on work experience,” Gorman Foundation Senior Program Associate Sara Gagne-Holmes said.

All the graduates had interviews with potential employers after the ceremony. Average wages in contracting are going up and many veteran workers are nearing retirement age, said instructor Jason Merritt.

“Right now, the construction industry is in dire need of skilled laborers and construction workers – carpenters, plumbers, electricians. It’s everywhere. You name the trade,” he said.



Merritt, who also teaches construction trades at Lewiston Regional Technical Center, said he and teachers at Central Maine Community College have gotten calls from contractors looking to make hires. If the construction industry does not find a solution to its shortage of workers, Merritt said jobs could be outsourced to other countries.

Along with members of the graduates' families, the audience had many people who helped the program become a reality. They included contractors Brian Demshar of H.E. Callahan and John Ferland of Hahnel Brothers. Members of Western Maine Community Action, the Root Cellar, Tree Street Youth Center, Maine Immigrant and Refugee Services, Lewiston CareerCenter, the city of Lewiston and the John T. Gorman Foundation also attended the ceremony. The Gorman Foundation provided support for the program.

Workforce coach Kim Sullivan, Lewiston Adult Education Director Bill Grant, instructor Jason Merritt and instructor Greg Yates spoke to the graduates and noted some of the challenges they had overcome. Misty Parker of Lewiston Economic Development and employer liaison Jannie O'Connell also congratulated students during the ceremony.

PORTLAND TIF POLICY

February 4, 2013

PROPOSED AMENDMENTS 4.13.17

INTRODUCTION

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

“Infrastructure” is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

STATE TIF LIMITATION

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

PURPOSE

The primary purposes of the TIF Policy include:

1. To support Portland Economic Development and Housing Plans and Policies;
2. To stimulate expansion of the City's commercial and industrial tax base;
3. To stimulate new affordable and market rate housing investment;
4. To retain and create quality employment;
5. To support Portland's Capital Improvement Plan; and,

6. To establish standards upon which the City Council will authorize TIF.

GENERAL PRINCIPLES

The three primary general principles for the City Council to establish TIF districts include:

A. Investment

Minimum Real Property Investment. A minimum of \$1 million in new taxable investment property value for commercial and industrial development and \$500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

B. Jobs Associated with Commercial and Industrial Development

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

C. Maximize Tax Sheltering Benefits

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

- 1) No reduction in State aid for education,
- 2) No reduction in municipal revenue sharing and
- 3) No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments

included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

There are three approaches to consider establishing TIF districts. They include:

- 1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

- 2) ***Area wide TIF districts financed by City Bond/Debt Issuance***

Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

- 3) ***Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)***

A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

B. Policy for the Three Approaches

1. **Policy for Municipal Economic Development Programs.**

Requires annual review and City Council financial appropriations.

2. **Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)**

- a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.

b) City TIF emphasis will be placed upon the following general “Priority Revitalization Areas” to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- India Street Neighborhood;
- Franklin Street Corridor from I-295 to Commercial Street;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Re-examine the boundary of Bayside TIF District;
- Examine establishing a Downtown TIF district in place of the Arts TIF District;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City’s Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.

d) Affordable Housing. Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3

of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

- e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.
- f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are exempt from State TIF law for acreage and value limitations.
- g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastructure.

NOTE 1: As of this Amended TIF Policy date, there are three existing area wide TIF Districts, i.e., Bayside, Arts, and Waterfront TIF Districts.

NOTE 2: As of this Amended TIF Policy date, there also exists one Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)

- a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

- i) City Green Building Code

When assistance is provided for site specific TIF districts, any CEAs shall include a requirement that the project comply with the City's Green Building Code. ~~Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.~~ /

ii) Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Allowable uses of AHTIF revenues are defined by State law.

(iii) State Prevailing Wage Requirement

Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.

~~(iv) Local, Diverse and Veteran Hiring Preference~~

~~The firms employed in the construction phase of a TIF-assisted project must demonstrate and produce documentation that a cumulative total of 25% of the total construction-related work hours are performed by:~~

~~- Residents of the City of Portland~~

~~- Minority and women employees~~

~~- Veterans of the United States Armed Forces~~

~~Upon review and recommendation from the City Council Committee and approval by the full City Council, a waiver may be granted for TIF recipients that demonstrate a hardship related to this provision. Equal Employment Opportunities and Nondiscrimination~~

The developer and its contractors employed in the construction phase of a TIF-assisted project shall adhere to a policy of non-discrimination in all

employment actions, practices, policies, procedures, phases, and conditions of employment. All employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate. This policy shall not be construed to prohibit any employment action or policy which is required by federal law, rule or executive order.

(iv) Participation in Apprenticeship and/or Job Training Program

The firms employed in the construction phase of a TIF-assisted project must participate in an ~~bona fide job training or apprenticeship program~~ registered with and approved by the Maine or U.S. Departments of Labor for each separate trade or classification in which it employs employees and must continue to participate in such program(s) for the duration of the construction phase of the TIF-assisted project. ~~Apprenticeship programs registered and approved by the US Department of Labor and/or Maine Department of Labor would meet this requirement.~~

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity.

The applicant must demonstrate financial capacity to support their project.

iii) Fees

-- A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs.

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms. The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

4) Clawback-Penalty Provision

~~If it is determined by the City Council, based on their review of the "Post-Construction Report to City Council" referenced in Section C of the Application and Administration Process, that the requirements of Section B(3)(a) of this policy are not met, the City Council shall direct the City Manager to terminate the TIF agreement and recoup any funds expended or allotted as a part of the CEA.~~ CEAs for site specific TIF districts shall contain a penalty provision that provides that in the event that the property developer fails to comply with the provisions of the CEA, the City may deduct up to 10% of the amount to be reimbursed to the developer for each year of the term of the CEA.

~~(5) Bonus Provision~~

~~The City Manager or his/her designee is empowered to develop a financial bonus system, not to exceed 2.5% of the total TIF assistance, for TIF recipients that exceed the requirements outlined in Section B(3)(a)(iv) of this policy.~~

TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Economic Development Department handles all TIF inquires and processes requests for TIF. An applicant must submit a letter to the Economic Development Department outlining the proposed project, including TIF project financial information, ~~along with~~ a

plan outlining both the number of jobs associated with the proposed project, as well as a demonstrated ability to meet the requirements under Section B(3)(a) of this policy.

B. Approval Process.

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

C. Post-Construction Report to City Council.

The Economic Development Department shall provide a post-construction report to the City Council Committee and City Council regarding each TIF-assisted project which shall include, but not be limited to, an analysis of the adherence to Section B(3)(a) of this policy.

D. Annual Report to City Council.

The Economic Development Department shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: September 14, 2017

SUBJECT: **Sale of 56 Parris Street (Parcel 3 in Bayside)
Discussion and Vote to Recommend Purchase and Sale Agreement to the
City Council – Tabled at 8/22/2017 EDC Meeting**

I. One Sentence Summary

Vote to recommend to the City Council a Purchase and Sale Agreement to sell City property of approximately .23 acres of land located at 56 Parris Street to Jack Soley (56 Parris Street, LLC) for \$175,000.

II. Background

It has been the long-term goal to sell this and other Public Works Bayside properties per the Year 2000 Bayside Vision. To support these property sales, the City Council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside and other City Departments.

The subject property is currently used as a surface parking lot to support 55 Portland Street employees. See attached property location map.

Public meetings to discuss the sale of Bayside former Public Works Properties have been held on 1/3/2017, 1/31/2017, 2/27/2017, 3/7/2017, 6/27/2017, 7/19/2017, and most recently on 8/22/2017 when the EDC tabled this item.

Under the direction of the EDC, staff has negotiated this Purchase and Sale Agreement with Jack Soley. Mr. Soley's proposal includes new construction for upwards of 20 one-bedroom workforce condominium units for affordable housing ownership at under \$200,000 per unit, with one parking space on-site per unit, elevator, and storage for each unit.

III. Intended Result and/or Council Goal Addressed

The intended result would be the sale of this property for development of affordable home ownership. It also supports the Council's long-term goal to sell Public Works Bayside properties to support Public Works relocation out of Bayside.

IV. Financial Impact and Purchase and Sale Agreement Highlights

If sold, the City would realize property sale proceeds in the amount of \$175,000 and future new taxes from the proposed development.

Also, provisions are included to ensure future payment of property taxes in the event of non-profit ownership.

The appraised value of this property in an "as is, where is" condition is \$310,000. Buyer will provide the City with environmental indemnification and be responsible for any site environmental remediation costs.

Proceeds from the sale of this and other Bayside property will be utilized to fund the relocation of remaining Public Works operations out of Bayside.

Also, Developer Performance requirements are included in the Purchase and Sale Agreement.

V. Staff Analysis and Recommendation

Staff recommends that the EDC vote to recommend approval of the proposed Purchase and Sale Agreement, in substantial conformance as attached, to the City Council.

Attachments: Proposed Purchase and Sale Agreement and its Exhibits:
a. Bayside Parcel Map
b. Developer's Project Proposal

Parcel Map



1 2 3 4 5 6

55 Portland Street

44 Hanover Street

56 Parris Street

82 Hanover Street

65 Hanover Street

178 Kennebec Street

PARCEL 5

PARCEL 2 PARCEL 1

PARCEL 4

PARCEL 3

PARCEL 6

EXHIBIT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this _____ day of _____, 2017 by and between the City OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as "Seller" or "City"), and Jack Soley [56 Parris Street, LLC], or assigns, a Maine limited liability company having a mailing address of 100 Commercial Street, Box 411, Portland, ME 04101 (hereinafter referred to as "Buyer" or "56 Parris Street, LLC").

RECITALS

WHEREAS, the CITY is the owner of approximately .23 acres of land at or near 56 Parris Street, Portland, Maine as generally depicted on the plan attached hereto as Exhibit A (the "Premises") and incorporated herein; and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer, subject to all easements of record and any other existing easements burdening the Premises;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **SALE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of land only.
2. **CONSIDERATION.** The purchase price for the Premises shall be One Hundred Seventy-Five Thousand Seven Hundred Dollars (\$175,000) (the "Purchase Price"), subject to the following cost adjustments and conditions:
 - a. Buyer shall deposit in the sum of Five Thousand Dollars (\$5,000.00) (the "Deposit") within 3 business days after the full execution of this Agreement that the parties agree will be held in escrow as of the date of this Agreement, in a non-interest bearing account with CBRE | The Boulos Company; the Deposit shall be fully refundable until the end of the Due Diligence Period and the Financing Period as both are described herein; after both such Periods, the Deposit shall be non-refundable; and
 - b. The Buyer shall pay the remainder of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.

3. TITLE AND DUE DILIGENCE.

- a. **Due Diligence Period.** Buyer will have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is sixty (60) calendar days after the date of this Agreement (the "Due Diligence Period") to complete any survey, environmental review and title examinations.
- b. **Property Description.** The property description contained in the deed will be a survey description based upon a survey plan (the "Premises") that will more specifically describe the property shown on Exhibit A hereto. The Premises will be distributed to the parties hereto prior to expiration of the Due Diligence Period and the parties will agree on the property description prior to closing.
- c. **Financing Contingency.** Buyer shall have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is thirty (30) calendar days after the date of this Agreement (the "Financing Period") to obtain commercially reasonable financing, and shall take timely and commercially reasonable steps to secure such financing.
- d. **Title and Survey Objections.** Buyer will have until the end of the Due Diligence Period to deliver to City any written objections to title, environmental, or survey matters (other than the permitted exceptions identified herein) that materially affect marketability or use. Objections not made prior to the end of the Due Diligence Period will be deemed waived; provided, however, that objections pertaining to matters of record first appearing after the end of the Due Diligence Period may be made at any time prior to the closing.
- e. **Option to Cure.** In the event of a title or survey objection, City will have the option, but not the obligation, to cure the objection and will notify Buyer of its election within ten (10) business days after receipt of the objection. In the event that the City elects to cure the objection, it will have sixty (60) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the City does not elect to cure the objection, or, having elected to cure the objection fails to timely do so to Buyer's reasonable satisfaction, Buyer will have the option to (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement), (2) waive the objection and close, or (3) undertake the cure of such objection at its own expense (in which case it shall have 60 days to do so).
- f. **Deed.** City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. Title shall be good and insurable title, free and clear of all encumbrances except (i) easements described herein; (ii) easements for utilities servicing the property, (ii) zoning ordinances, and (iii) real estate taxes not yet due and payable. Further, Buyer

acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine.

4. INSPECTIONS.

- a. During the Due Diligence Period, Buyer and its employees, consultants, contractors and agents shall have the right, at Buyer's expense, to enter on the Premises at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things as Buyer determines, it is sole discretion, to be required to determine the suitability of the Premises for Buyer's intended use (collectively, the "Inspections"). The City acknowledges that such Inspections may include the digging of test pits, which the City hereby approves.
- b. Buyer agrees to defend, indemnify and hold harmless the City against any mechanics liens that may arise from the activities of Buyer and its employees, consultants, contractors and agents on the Premises.
- c. Buyer shall exercise the access and inspection rights granted hereunder at its sole risk and expense, and Buyer hereby releases the City from, and agrees to indemnify, defend, and hold the City harmless against, any and all losses, costs, claims, expenses and liabilities (including without limitation reasonable attorney fees and costs) (collectively, "Damages") suffered by the City on account of any injury to person or damage to property arising out of the exercise by Buyer of its rights hereunder, except to the extent that such Damages result from the act or omission of the City.
- d. Buyer shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance, if applicable, and general public liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.

- e. In the event that Buyer does not purchase the Premises, Buyer agrees to either return the Premises as nearly as possible to its original condition after conducting the Inspections, or, at the City's option, reimburse the City for any physical damage caused to the Premises in connection with the Inspections; provided, however, the City hereby acknowledges and agrees that the term "physical damage" does not include any disturbance of any pre-existing environmental contamination on the Premises caused by such inspections, studies, tests, exams, and assessments, and that Buyer shall have no obligation to clean-up, remove or take any other action with respect to any pre-existing environmental contamination disturbed thereby.
- f. The parties hereto acknowledge and agree that it is a condition to Buyer's obligations under this Agreement that the results of the Inspections be acceptable to Buyer in its sole discretion. If the results of such due diligence are not acceptable to Buyer in its sole discretion, and if Buyer exercises its right to terminate this Agreement, then the City shall refund to Buyer the Deposit, if previously paid, without interest, within ten (10) days after receipt of Buyer's termination notice, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.

- 5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Property is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Property shall be prorated as of the closing. The Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. City is exempt from paying the transfer tax pursuant to 36 M.R.S.A. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to Buyer's financing or closing shall be paid for by Buyer.
- 6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the deposit as its sole remedy. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.
- 7. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire, eminent domain, condemnation, or otherwise, until transfer of title hereunder, is assumed by the City. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated. In the event City is not able to deliver the Premises as stated, Buyer may terminate this Agreement and receive a refund of the Deposit without interest, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.

8. **PROPERTY SOLD "AS IS, WHERE IS."** Buyer acknowledges that Buyer has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold "as is, where is" and "with all faults." City, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Acceptance by Buyer of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the City of every agreement and obligation contained herein.
9. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City harmless from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, costs, or expenses of any kind, including, without limitation, reasonable attorneys', consultants', and experts' fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding, that may at any time be imposed upon, incurred by or asserted or awarded against Buyer or the City and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of hazardous wastes or hazardous materials and affecting all or any portion of the Premises, except to the extent that such a claim results directly from the City's release, handling or storage of hazardous wastes or hazardous materials on the Premises. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer's successors, assigns, and transferees.
10. **CLOSING.** Time is of the essence in the performance of this agreement. The closing shall be held at the offices of Buyer's counsel at a time agreeable to the parties on or before the day that is five months after the date of this Agreement (the "Closing Date"). At the Closing:
- a. the City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good and marketable title to the Premises, free and clear of all encumbrances except as otherwise set forth herein.
 - b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City); and
 - c. Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary to carry out the obligations under this Agreement.
 - d. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing

under Maine law, and that the individuals acting to Closing and executing documents on behalf of Buyer are authorized to do so.

11. BUYER'S POST CLOSING OBLIGATIONS; RIGHTS OF CITY TO REPURCHASE PROPERTY.

Buyer agrees to commence construction of the project, as very generally depicted on the attached Plan which was presented to the City's Economic Development Committee on July 19, 2017, but specifically including at least the same number of ("workforce housing") dwelling units depicted therein (the "Project") within twelve (12) months after closing. Twenty (20) unit sale prices will be calculated for affordability to 120% AMI for 2018 for the initial sale only. If Buyer, its successors, assigns, or transferees fails to commence construction of the Project on the Property within 12 months after the closing, and construct the buildings which are part of the Project within thirty (30) months after closing, the City shall have the right, but not the obligation, to repurchase the Premises at the lesser of (1) the Purchase Price plus all construction and approval expenses incurred by Buyer, or successors, to that juncture, or (2) the fair market value of the Premises determined by an appraiser agreed upon by the parties. The provisions of this paragraph will survive closing, and the City's deed to Buyer shall include a reference to the City's option to repurchase the Premises, and/or a Declaration of Covenants, Conditions and Restrictions, and Option to Repurchase with the provisions of this paragraph with greater detail, executed before or at the time of Closing, shall be recorded in the Cumberland County Registry of Deeds. This right to repurchase shall be assignable by the City.

- 12. ENTIRE AGREEMENT.** This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Property hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.
- 13. NON-WAIVER.** No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.
- 14. HEADINGS AND CAPTIONS.** The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.
- 15. BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.
- 16. TIME.** The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.
- 17. GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising

from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.

18. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE City: City of Portland
ATTN: City MANAGER
389 Congress Street
Portland, ME 04101

With a copy to: The Office of the Corporation Counsel at the same address.

FOR Buyer: Jack Soley
100 Commercial St., Box 411
Portland, ME 04101

With a copy to: Michael G. Friedman, Esq.
P.O. Box 10
Bridgton, ME 04009

19. **SIGNATURES; MULTIPLE COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

20. **BROKERS.** City shall pay CBRE | The Boulos Company at closing a brokerage commission equal to five percent (5%) of the Purchase Price at closing. The CITY and Buyer each represent and warrant that they have not dealt with a real estate broker in connection with this transaction other than CBRE | The Boulos Company. Buyer agrees to indemnify and hold harmless City from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

21. RECITALS INCORPORATED BY REFERENCE. The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

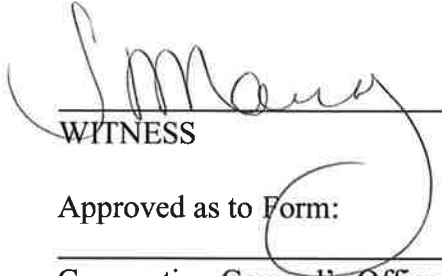
IN WITNESS WHEREOF, the parties have caused this instrument to be executed on their behalf by their duly authorized offices or representatives, on the day and year first written above.

City OF PORTLAND

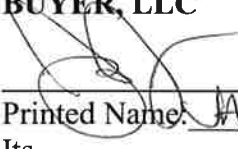
WITNESS

Jon P. Jennings
Its City Manager

BUYER, LLC



WITNESS



Printed Name: JACK SOLER

Its _____

Approved as to Form:

Corporation Counsel's Office

Parcel Map



1 2 3 4 5 6

55 Portland Street

44 Hanover Street

56 Parris Street

82 Hanover Street

65 Hanover Street

178 Kennebec Street

PARCEL 5

PARCEL 2 PARCEL 1

PARCEL 4

PARCEL 3

PARCEL 6

EXHIBIT A

PERISCOPE LOFTS

BAYSIDE PARCEL #3



- *Twenty - One Bedroom Workforce Condominiums*
- *Cost below \$200,000.00 per unit*
- *One parking space on-site per unit*
- *Elevator*
- *Storage for each unit*

KAPLAN THOMPSON
ARCHITECTS

MALONE
COMMERCIAL BROKERS
CONNECTED, LOCAL, SAVVY.

[REDACTED] We believe that there will be considerable environmental mitigation work necessary as a result of historical use of fire debris fill on the site. Consistent with other area sites, we expect to find arsenic and lead on the lot and anticipate that the project will require a VRAP application. Appropriate remediation and institutional controls will include a Phase 2 Environmental Assessment report as well as potentially expensive capping and disposing of contaminants.

PROPERTY FEATURES

PERISCOPE LOFTS



LEVEL ONE

- Parking for each unit
- Storage for each unit
- Lobby area
- Mail room



PROPERTY FEATURES

PERISCOPE LOFTS



LEVELS TWO & THREE

- 7 units - 400 SF each



PROPERTY FEATURES

PERISCOPE LOFTS



LEVEL FOUR

- 6 units - 400 SF each
- Common area deck



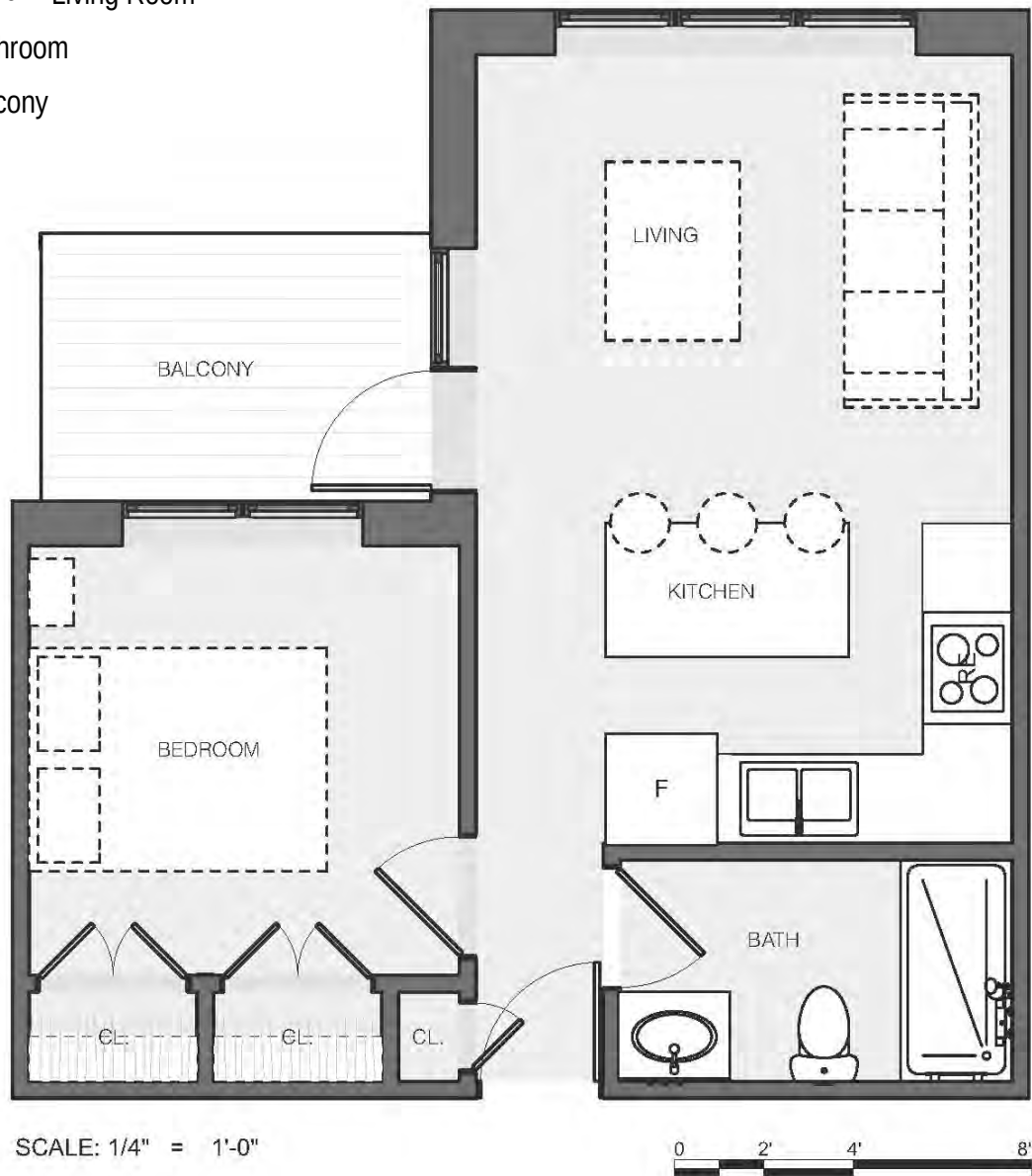
PROPERTY FEATURES

PERISCOPE LOFTS



TYPICAL LAYOUT

- 1 Bedroom
- Open Concept
 - Kitchen
 - Living Room
- Bathroom
- Balcony





Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: September 14, 2017

SUBJECT: **Sale of 82 Hanover Street (Parcel 4 in Bayside)**
Discussion and Vote to Recommend Purchase and Sale Agreement to the City Council

I. One Sentence Summary

Vote to recommend to the City Council a Purchase and Sale Agreement to sell City property of approximately 1.25 acres of land located at 82 Hanover Street to Tom Watson & Co., LLC, for \$2,350,000.

II. Background

It has been the long-term goal to sell this and other Public Works Bayside properties per the Year 2000 Bayside Vision. To support these property sales, the City Council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside and other City Departments.

The subject property has been used for Public Works plowing operations. See attached property location map.

Public meetings to discuss the sale of Bayside former Public Works Properties have been held on 1/3/2017, 1/31/2017, 2/27/2017, 3/7/2017, 6/27/2017, and 7/19/2017.

Under the direction of the EDC, staff has negotiated this Purchase and Sale Agreement with Tom Watson & Co., LLC. Mr. Watson's proposal includes the relocation of business, Port Property Management headquarters from 104 Grant Street to 82 Hanover Street; bringing in retailers/partners to contribute to the community and economy; open spaces/commons for public use; leverage large rooftop decks and greenspace to add density to neighborhood; and creates the opportunity for construction of 23 residential units on Grant Street and eliminate that office/warehouse that sits in the middle of the Parkside residential neighborhood.

III. Intended Result and/or Council Goal Addressed

The intended result would be the sale of this property to support mixed use development in Bayside, along with housing construction on Grant Street. It also supports the Council's long-term goal to sell Public Works Bayside properties to support Public Works relocation out of Bayside.

IV. Financial Impact and Purchase and Sale Agreement Highlights

If sold, the City would realize property sale proceeds in the amount of \$2,350,000 and future new taxes from the proposed development.

Also, provisions are included to ensure future payment of property taxes in the event of non-profit ownership.

The appraised value of this property in an "as is, where is" condition is \$2,330,000. Buyer will provide the City with environmental indemnification and be responsible for any site environmental remediation costs.

Proceeds from the sale of this and other Bayside property will be utilized to fund the relocation of remaining Public Works operations out of Bayside.

Also, Developer performance requirements are included in the Purchase and Sale Agreement.

V. Staff Analysis and Recommendation

Staff recommends that the EDC vote to recommend approval of the proposed Purchase and Sale Agreement, in substantial conformance as attached, to the City Council.

Attachments: Proposed Purchase and Sale Agreement and its Exhibits:
a. Bayside Parcel Map
b. Developer's Project Proposal

Parcel Map



1

55 Portland Street

2

44 Hanover Street

3

56 Parris Street

4

82 Hanover Street

5

65 Hanover Street

6

178 Kennebec Street

PARCEL 5

PARCEL 4

PARCEL 2

PARCEL 1

PARCEL 3

PARCEL 6

EXHIBIT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this _____ day of _____, 2017 by and between the City OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as “Seller” or “City”), and Tom Watson & Co., LLC, or assigns, a Maine limited liability company having a mailing address of 104 Grant Street, Portland, ME 04101 (hereinafter referred to as “Buyer”).

RECITALS

WHEREAS, the CITY is the owner of approximately 1.25 acres of land at or near 82 Hanover Street, Portland, Maine as generally depicted as Parcel 4 on the plan attached hereto as Exhibit A together with all buildings and other improvements located thereon (the “Premises”) and incorporated herein; and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **SALE AND EFFECTIVE DATE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of land and buildings located at or about 82 Hanover Street. This Agreement shall become effective following the occurrence of both of the following: approval of this Agreement by the City Council of the City in substantially this form, and the City Manager’s execution of this Agreement. The first calendar day after which both such events have occurred is hereinafter referred to as the “Effective Date”. All deadlines and time periods set forth in this Agreement, including, without limitation, the Due Diligence Period, Financing Period and Closing Date shall be computed from the Effective Date.
2. **CONSIDERATION.** The purchase price for the Premises shall be Two Million Three Hundred Fifty Thousand (\$2,350,000) (the “Purchase Price”), subject to the following cost adjustments and conditions:
 - a. Buyer shall deposit the sum of Twenty-Five Thousand Dollars (\$25,000.00) (the “Deposit”) within 3 business days after the Effective Date of this Agreement that the parties agree will be held in escrow in a non-interest bearing account with CBRE | The Boulos Company; the Deposit shall be fully refundable until the later of the expiration of the Due Diligence Period or the Financing Period, as both are described herein; after the expiration of both such Periods, the Deposit shall be non-refundable except as expressly set forth herein, including, without limitation in paragraphs 3 and 10; and

- b. The Buyer shall pay the remainder of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.

3. TITLE AND DUE DILIGENCE.

- a. Due Diligence Period. Subject to extension as set forth in Paragraph 3(b) and (d), Buyer will have from the Effective Date of this Agreement until 4:00 PM Eastern Standard Time on the day that is sixty (60) days after the Effective Date of this Agreement (the “Due Diligence Period”) to complete any survey, environmental review and title examinations, and to undertake such other investigations, testing or inspections as Buyer shall deem appropriate.
- b. Property Description. The property description contained in the deed will be a survey description based upon a Boundary Survey performed by a Maine Licensed Surveyor to be obtained by the City (the “Survey”) which will more specifically describe the property shown on Exhibit A hereto (the “Premises Description”) in form reasonably acceptable to the City and Buyer. The Premises Description will be distributed to the parties hereto at least thirty (30) days prior to expiration of the Due Diligence Period. If the Premises Description is not received by City and Buyer at least thirty (30) days prior to the expiration of the Due Diligence Period, the Due Diligence Period shall be extended to a date thirty (30) days after it is received. The parties will agree on the final Premises Description prior to closing. If the parties cannot agree upon the final Premises Description prior to closing, then Buyer shall have the option to (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement) or (2) waive the approval provision and close.
- c. Financing Contingency. Buyer shall have from the Effective Date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is sixty (60) days after the Effective Date of this Agreement (the “Financing Period”) to obtain a commitment for commercially reasonable financing acceptable to Buyer, provided, however, if the Due Diligence Period shall be extended, then the Financing Period shall be extended to expire on the same date as the expiration of the Due Diligence Period. Buyer shall take timely and commercially reasonable steps to secure such financing. If Buyer does not obtain a financing commitment acceptable to Buyer within the Financing Period, Buyer may terminate this Agreement by notice in writing to City, or may elect to close under the Agreement despite the lack of such commitment.
- d. Title, Survey and Environmental Objections. In addition to the Survey described above, the City agrees it has caused a Phase II Environmental study of the Premises to be performed. Buyer will have until the end of the Due Diligence Period to deliver to City any written objections to title, environmental, or survey matters that Buyer determines materially affect insurability of title at standard rates, or the use of the Premises, the value of the Premises, the cost of development of or cost or feasibility of construction on the Premises. Objections not made prior to the end of the Due Diligence

Period will be deemed waived; provided, however, that objections pertaining to matters of record first appearing after the end of the Due Diligence Period may be made at any time prior to the closing. If the Survey and any environmental study (including, without limitation any Phase II Environmental study) are not completed and distributed to the parties at least thirty (30) days prior to the expiration of the Due Diligence Period, the Due Diligence Period will be extended to a date thirty (30) days after the date upon which the later of the Survey or any environmental study to be completed and received are completed and are received by Buyer and City.

- e. Option to Cure. In the event of a title, Survey or environmental objection by Buyer, City will have the option, but not the obligation, to cure the objection and will notify Buyer of its election within ten (10) business days after receipt of the objection. In the event that the City elects to cure the objection, it will have sixty (60) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the City does not elect to cure the objection, or, having elected to cure the objection fails to timely do so to Buyer's reasonable satisfaction, Buyer will have the option to (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement), (2) waive the objection and close, or (3) undertake the cure of such objection at its own expense (in which case it shall have 60 days to do so).
- f. Deed. City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. Title shall be good and insurable title at standard rates, free and clear of all encroachments, liens and encumbrances except (i) easements consented to by Buyer; (ii) easements for utilities servicing the property, (iii) City ordinances, and (iv) real estate taxes not yet due and payable. Buyer further acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount of the lesser of (a) the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable, or (b) such other target percentage as may be approved as part of a city-wide PILOT policy that may be in effect at the time taxes are due on such property. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine.

4. INSPECTIONS.

- a. During the Due Diligence Period, Buyer and its employees, consultants, contractors and agents shall have the right, at Buyer's expense, to enter on the Premises at reasonable times in order to (i) inspect the same, (ii) conduct

engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things as Buyer determines, it is sole discretion, to be required to determine the suitability of the Premises for Buyer's intended use (collectively, the "Inspections"). The City acknowledges that such Inspections may include the digging of test pits, which the City hereby approves.

- b. Buyer agrees to defend, indemnify and hold harmless the City against any mechanics liens that may arise from the activities of Buyer and its employees, consultants, contractors and agents on the Premises, except those arising from labor or materials furnished at the City's request.
- c. Buyer shall exercise the access and inspection rights granted hereunder at its sole risk and expense, and Buyer hereby releases the City from, and agrees to indemnify, defend, and hold the City harmless against, any and all losses, costs, claims, expenses and liabilities (including without limitation reasonable attorney fees and costs) (collectively, "Damages") suffered by the City on account of any injury to person or damage to property arising out of the exercise by Buyer of its rights hereunder, except to the extent that such Damages result from the act or omission of the City.
- d. Buyer shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance, if applicable, and general public liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.
- e. In the event that Buyer does not purchase the Premises, Buyer agrees to either return the Premises as nearly as reasonably possible to its original condition after conducting the Inspections, or, at the City's option, reimburse the City for any material physical damage caused to the Premises in connection with the Inspections; provided, however, the City hereby acknowledges and agrees that the term "physical damage" does not include any disturbance of any pre-existing environmental contamination on the Premises caused by such inspections, nor any studies, tests (including test borings or pits), exams, and assessments, and that Buyer shall have no obligation to clean-up, remove or take any other action with respect to any pre-existing environmental contamination disturbed thereby.
- f. The parties hereto acknowledge and agree that it is a condition to Buyer's obligations under this Agreement that the results of the Inspections be acceptable to Buyer in its sole discretion. If the results of such due diligence are not acceptable to Buyer in its sole discretion Buyer may terminate this Agreement. If Buyer exercises its right to terminate this Agreement, then the

City shall refund to Buyer the Deposit, if previously paid, without interest, within ten (10) days after receipt of Buyer's termination notice, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement. Any termination notice sent by Buyer with respect to this Agreement may merely state that Buyer elects to terminate this Agreement, shall have no formal requirements, and shall be immediately effective.

5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Premises is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Property shall be prorated as of the closing. The Buyer's one half share of Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. City is exempt from paying the transfer tax pursuant to 36 M.R.S.A. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to Buyer's financing or closing shall be paid for by Buyer.
6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the deposit as its sole remedy. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance and the City agrees it shall not invoke any sovereign immunity defense nor any defense based upon its status as a City, municipality, body politic or the like, but Buyer at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.
7. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire, eminent domain, condemnation, or otherwise, until transfer of title hereunder, is assumed by the City. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated. In the event City is not able to deliver the Premises as stated, Buyer may terminate this Agreement and receive a refund of the Deposit without interest, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement, or Buyer may elect to close hereunder and receive an assignment of any applicable insurance proceeds payable to the City relating to such loss or damage.
8. **PROPERTY SOLD "AS IS, WHERE IS."** Buyer acknowledges that Buyer will have an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold "as is, where is" and "with all faults." City, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues (other than City's agreement to obtain subdivision approval as set forth in Paragraph 10 of this Agreement) or the environmental, mechanical, or structural condition of the Premises.

Acceptance by Buyer of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the City of every agreement and obligation contained herein except as expressly set forth herein.

9. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City harmless (hereinafter collectively the “Indemnity Obligation”) from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, judgments, costs, or expenses of any kind (all of which hereinafter are collectively referred to as “Claims”) resulting from acts or omissions of Buyer occurring during Buyer’s ownership of the Premises, including, without limitation, reasonable attorneys’, consultants’, and experts’ fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding (all of which costs and expenses, including attorney’s fees, hereinafter are collectively referred to as “Costs and Expenses”), that may at any time be imposed upon, incurred by or asserted or awarded against Buyer or the City, provided that Buyer’s Indemnity Obligation shall apply only if such acts or omissions of Buyer relate directly or indirectly to the violation of or noncompliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of hazardous wastes or hazardous materials and affect all or any portion of the Premises. Notwithstanding the foregoing, Buyer shall have no Indemnity Obligation to the City nor any other person or entity if any such Claims or any Costs and Expenses result or arise from the City’s release, handling or storage of hazardous wastes or hazardous materials on the Premises or from the City’s failure to comply with any applicable municipal ordinance or state or Federal law, rule or regulation. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer’s successors, assigns, and transferees.

10. **CONDITIONS PRECEDENT TO CLOSING.** It is a condition precedent to Closing that:

- a. The City shall obtain in form reasonably acceptable to Buyer the removal of the restrictions limiting development of or use of the Premises or otherwise burdening the Premises (hereinafter the “Deed Restrictions”) stated or described in the deed to the City from the State of Maine dated September 26, 2005 and recorded in the Cumberland County Registry of Deeds in Book 23202, Page 38.
- b. The City shall obtain Subdivision approval by the City of Portland Planning Board, in order to obtain approval for the creation of the parcel which constitutes the Premises, unless the City as Seller and Buyer agree, such Subdivision approval is not required (hereinafter the “Subdivision Approval”).

In the event the City is unable to obtain Subdivision Approval and the removal of all the above Deed Restrictions prior to the Closing Date, as defined below, then the Buyer may either (1) extend the Closing Date set forth in Paragraph 11 by a time period not to exceed one hundred eighty (180) days to permit the removal of the Deed Restrictions and the approvals to be obtained or (2) elect to terminate this Agreement either prior to the

scheduled Closing Date or prior to the expiration of any extension period based on an extension as provided above. In the event Buyer shall elect to so extend the Closing Date, the City agrees to pursue the removal of the Deed Restrictions and Subdivision Approval.

If Buyer shall elect to terminate this Agreement then the City shall refund the Deposit, if previously paid, without interest, and this Agreement shall be terminated and neither party shall have any further obligations or liabilities under this Agreement, unless the parties mutually agree to extend this Agreement. Buyer acknowledges and agrees that the City is acting as Seller, and not in its regulatory capacity, in connection with this Agreement. The delivery to Buyer, and acceptance and recording by the Buyer of a deed to the Buyer of the Premises, will evidence conclusive and final consent by the Buyer to the waiver or completion of all these conditions.

11. CLOSING. Time is of the essence in the performance of this Agreement. The closing shall be held at the offices of Buyer's counsel at a time agreeable to the parties on or before the day that is the later of five months after the Effective Date of this Agreement or thirty (30) days after the later of (i) the expiration of the Due Diligence Period; (ii) the deadline for the City to resolve any title, Survey or environmental objections; or (iii) the date to which Buyer elects to extend the Closing Date under Paragraph 10 (the "Closing Date"). At the Closing:

- a. City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good, and insurable title (at standard rates) to the Premises, free and clear of all liens and encumbrances except as otherwise set forth herein.
- b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City); and
- c. Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary to carry out the obligations under this Agreement, and for the Buyer to obtain owners and lenders title insurance in form reasonably acceptable to Buyer and to Buyer's lender.
- d. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing under Maine law, and that the individuals acting with respect to the Closing and executing documents on behalf of Buyer are authorized to do so.

12. BUYER'S POST CLOSING OBLIGATIONS; RIGHTS OF CITY TO REPURCHASE PROPERTY. Buyer agrees as follows:

- a. Buyer agrees at Closing to deposit \$115,000.00 to be held in escrow (the "Escrow Account") pursuant to an escrow agreement in form mutually acceptable to Buyer and City with a mutually acceptable escrow agent.

- b. Buyer agrees to commence development of the project generally depicted on the attached Plan (Exhibit B) (the “Project”), as presented to the City’s Economic Development Committee on July 19, 2017, and specifically including at least twenty-three (23) dwelling units as described in Buyer’s presentation of ‘workforce housing’ as defined in Chapter 14 of the City Ordinances on or near Buyer’s Grant Street property within twelve (12) months after closing; provide, however, that Buyer shall be entitled to modify the Project by increasing the number of residential units, modifying the size and layout of such units, or minor, non-substantive changes. Buyer’s commencement of Project development shall be effected by Buyer or its successors, assigns, or transferees submitting a site plan review application for the Project within 12 months after the Closing under this Agreement. If Buyer does not submit a site plan review application for the Project (including any modifications as described above) within one (1) year of Closing under this Agreement, then \$10,000.00 shall be released from escrow to the City’s Housing Trust Fund and until an application is filed, an additional \$10,000.00 each ninety (90) days thereafter.
- c. Additionally, Buyer shall commence construction of the buildings that are part of the Project within thirty-six (36) months after Closing under this Agreement. If Buyer obtains site plan approval of the Project and Buyer, its successors or assigns do not commence construction of the Project by the later of thirty six (36) months after Closing under this Agreement or one hundred eighty (180) days after final approval of the Project (including, without limitation, final approval in all applicable municipal or judicial proceedings) and the expiration of all applicable appeal periods, then \$10,000.00 shall be released from escrow and to the City’s Housing Trust Fund, and until construction on the Project is commenced, an additional \$10,000.00 each ninety (90) days thereafter. Within thirty (30) days after the commencement of construction, the balance of the Escrow Account shall be released to Buyer. If no Closing takes place under this Agreement, the Buyer shall not be required to fund the escrow account nor make any payment.

13. ENTIRE AGREEMENT. This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Premises hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.

14. NON-WAIVER. No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

15. HEADINGS AND CAPTIONS. The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.

16. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.
17. **TIME.** The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.
18. **GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.
19. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Hand delivery to the City Manager's office shall be effective as personal delivery to the City Manager on the date of delivery. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE City: City of Portland
ATTN: City Manager
389 Congress Street
Portland, ME 04101

With a copy to: The Office of the Corporation Counsel at the same address.

FOR Buyer: Mr. Thomas Watson
Tom Watson & Co., LLC
104 Grant Street
Portland, ME 04101

With a copy to: William H. Leete, Jr., Esq.
Leete & Lemieux, P.A.
511 Congress Street, Suite 502
Portland, ME 04101

20. **SIGNATURES; MULTIPLE COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

21. **BROKERS.** The City shall be responsible for paying all its brokers, including CBRE | The Boulos Company, at closing. Buyer has no broker other than Joseph Porta of Porta & Co., who Buyer understands is to be compensated by CBRE | The Boulos Company. Buyer agrees to indemnify and hold harmless City from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

22. **RECITALS INCORPORATED BY REFERENCE.** The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto have caused this instrument to be executed on their behalf by their duly authorized officers or representatives, as of the day and year first written above.

CITY OF PORTLAND

WITNESS

Jon P. Jennings
Its City Manager

TOM WATSON & CO., LLC

WITNESS

Printed Name: Thomas E. Watson
Its Manager

Approved as to Form:

Corporation Counsel's Office

Parcel Map



1

55 Portland Street

2

44 Hanover Street

3

56 Parris Street

4

82 Hanover Street

5

65 Hanover Street

6

178 Kennebec Street

PARCEL 5

PARCEL 4

PARCEL 2

PARCEL 1

PARCEL 3

PARCEL 6

EXHIBIT A

CITY OF PORTLAND BAYSIDE PROPERTIES
TOM WATSON LETTER OF INTENT TO PURCHASE

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 - c. ARCHITECT RENDERING
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 - a. EXTERIOR PICTURES
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DESCRIPTION OF INTENDED USE

82 Hanover

- o Relocate Port Property Management headquarters to 82 Hanover from 104 Grant Street in Parkside
- o Bring in retailers/partners who will contribute to the community as well as the economy
- o Open spaces/commons available for public use
- o Leverage large rooftop for decks and greenspace to add comfortable density to neighborhood
- o Creates opportunity for construction of 23 units on Grant Street and eliminates an office/warehouse that sits in the middle of the Parkside residential neighborhood

44 Hanover

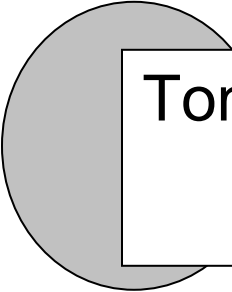
- o 16 separate spaces all with autonomous access to the street.
- o One Central Space of over 3,500SF for a public/communal user like pub, café, eatery
- o Glass OHD to promote openness, and allow for artists and artisans to combine retail display space to their work space. Promote marketplace environment
- o Affordable/accessible to the creative community at under \$1,000/month.

Lancaster Court (between 82 Hanover & 44 Hanover)

- o Commons/courtyard space open to public for public use
- o Available for outdoor recreation including farmers market and small music venue for tenants and managers to promote work/events.
 - Display and value public art and communal aesthetic enhancements
 - Cobble stone street
 - Trees/landscaping
 - Fountain/water wall

56 Parris Street

- o 23 2 BR 2 Bath units
 - Unique product to Portland
 - Create product for families (2 bathrooms) or multiple roommates (making it affordable)
 - At 23 units, 4 stories high it is scaled to the other buildings in the neighborhood



Tom Watson & Company



Thomas Watson
(207) 252-0358

June 22, 2017

Thomas Watson founded Port Property Management in 1993 with his father Jack who later sold his half of the business to Russell Pierce (Tom's brother-in-law). Tom and Russ have had a successful partnership for the last 17 years and currently employ 41 full time employees, most of whom call Portland their home.

Port Property manages over 1,300 apartments and commercial spaces in Portland and South Portland, the bulk of which are on the Portland peninsula. All of the properties are owned by Port Property related companies.

Tom graduated with a B.A. from Stanford University in 1985 and received an MBA from Boston University in 1992.

He lives in Portland with his wife Judy and their 3 children, all of whom attend Portland Public Schools.

BAYSIDE RFP
TOM WATSON & COMPANY
PROPOSAL FOR THE DEVELOPMENT OF
82 HANOVER STREET, PORTLAND MAINE

82 Hanover Street- Streetscape, #1
PORTLAND, MAINE



BAYSIDE RPF-82 Hanover Street- Street Scape, #2
PORTLAND, MAINE

JUNE 16, 2017



1 VIEW LOOKING SOUTH EAST ON PARRIS STREET
NTS

BAYSIDE RFP - 82 HANOVER STREET-Rendering
PORTLAND, MAINE

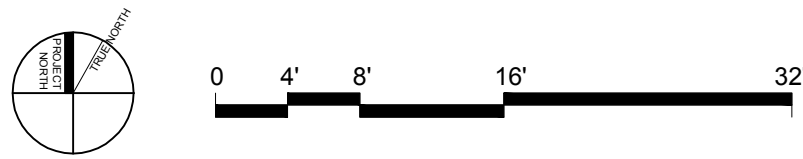
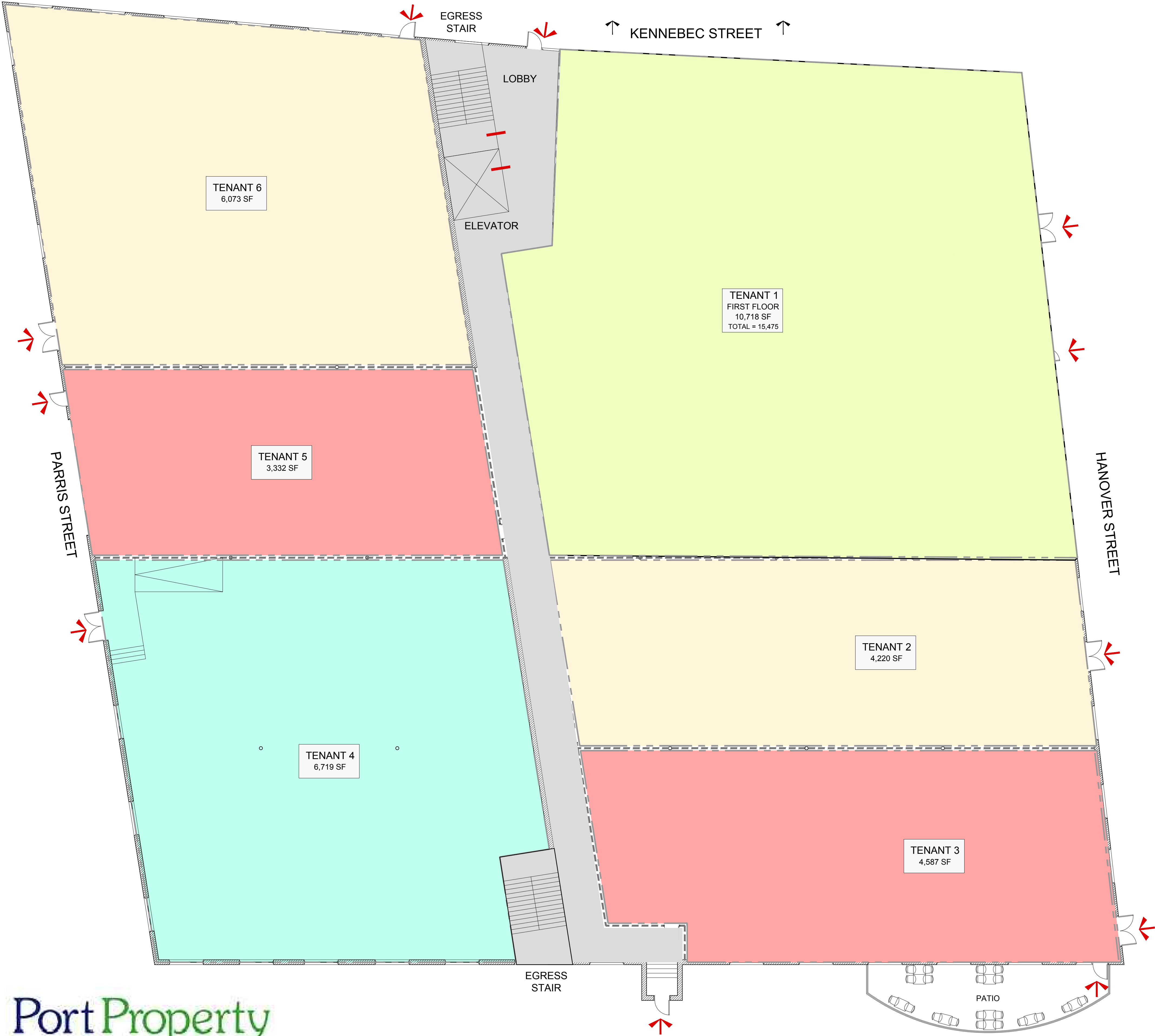
MAY 11, 2017



1 VIEW LOOKING SOUTH ON HANOVER STREET
N.T.S.

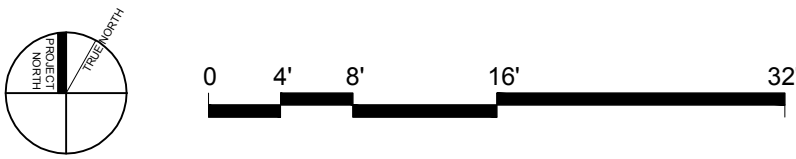
BAYSIDE RFP - 82 HANOVER STREET-First Floor
PORTLAND, MAINE

JUNE 12, 2017



BAYSIDE RFP - 82 HANOVER STREET- Second Floor
PORTLAND, MAINE

JUNE 12, 2017



BAYSIDE RFP - LANCASTER COURT
PORTLAND, MAINE

JUNE 21, 2017



1 VIEW LOOKING NORTH ON PARRIS STREET
N.T.S.



Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: September 14, 2017

SUBJECT: **Sale of 65 Hanover Street/52 Alder Street (Parcel 5 in Bayside)
Discussion and Vote to Recommend Purchase and Sale Agreement to the
City Council**

I. One Sentence Summary

Vote to recommend to the City Council a Purchase and Sale Agreement to sell City property of approximately .46 acres of land located at 65 Hanover Street/52 Alder Street to Barrett Made for \$1,100,000.

II. Background

It has been the long-term goal to sell this and other Public Works Bayside properties per the Year 2000 Bayside Vision. To support these property sales, the City Council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside and other City Departments.

The subject property has been used for Public Works for its traffic operations and building Trades and is currently vacant. See attached property location map.

Public meetings to discuss the sale of Bayside former Public Works Properties have been held on 1/3/2017, 1/31/2017, 2/27/2017, 3/7/2017, 6/27/2017, and 7/19/2017.

Under the direction of the EDC, staff has negotiated this Purchase and Sale Agreement with Barrett Made. Barrett Made's proposal has two phases.

The first phase includes Barrett Made's expansion to this site, including its offices and workshop, 4 City shop spaces – offering full workshop and office combination spaces for people looking to grow their business and be located near creative like-minded people; and a maker's space – a 20-bench open space for people who are looking to start something new or explore a hobby further in a more professional studio-like setting. This maker's space will provide for 24-hour access through a check-in area and space to display ideas and products. Barrett Made will also improve the exterior of the building, adding green space and solar panels to help offset utility costs for users of the space.

The second phase includes a 25-unit apartment building, providing affordable, modern, and central housing for lower to middle income people.

III. Intended Result and/or Council Goal Addressed

The intended result would be the sale of this property for development of mixed uses – business and residential. It also supports the Council’s long-term goal to sell Public Works Bayside properties to support Public Works relocation out of Bayside.

IV. Financial Impact and Purchase and Sale Agreement Highlights

If sold, the City would realize property sale proceeds in the amount of \$1,100,000 and future new taxes from the proposed development.

Also, provisions are included to ensure future payment of property taxes in the event of non-profit ownership.

The appraised value of this property in an “as is, where is” condition is \$980,000. Buyer will provide the City with environmental indemnification and be responsible for any site environmental remediation costs.

Proceeds from the sale of this and other Bayside property will be utilized to fund the relocation of remaining Public Works operations out of Bayside.

Also, Developer performance requirements are included in the Purchase and Sale Agreement.

V. Staff Analysis and Recommendation

Staff recommends that the EDC vote to recommend approval of the proposed Purchase and Sale Agreement, in substantial conformance as attached, to the City Council.

Attachments: Proposed Purchase and Sale Agreement and its Exhibits:
a. Bayside Parcel Map
b. Developer’s Project Proposal

Parcel Map



1 2 3 4 5 6

55 Portland Street

44 Hanover Street

56 Parris Street

82 Hanover Street

65 Hanover Street

178 Kennebec Street

PARCEL 5

PARCEL 2 PARCEL 1

PARCEL 4

PARCEL 3

PARCEL 6

EXHIBIT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this _____ day of _____, 2017 by and between the CITY OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as “Seller” or “City”), and BARRETT MADE, a Maine business corporation having a mailing address of 48 Union Wharf, Portland, ME 04101 (hereinafter referred to as “Buyer”).

RECITALS

WHEREAS, the CITY is the owner of approximately 0.46 acres of land with buildings thereon at 65 Hanover Street and 52 Alder Street, Portland, Maine as generally depicted on the plan attached hereto as Exhibit A (the “Premises”) and incorporated herein; and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer, subject to all easements of record and any other existing easements burdening the Premises.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **SALE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement.
2. **CONSIDERATION.** The purchase price for the Premises shall be One Million One Hundred Thousand Dollars (\$1,100,000) (the “Purchase Price”), subject to the following cost adjustments and conditions:
 - a. Buyer shall deposit in the sum of Ten Thousand Dollars (\$10,000.00) (the “Deposit”) within 3 business days after the full execution of this Agreement that the parties agree will be held in escrow as of the date of this Agreement, in a non-interest bearing account with CBRE | The Boulos Company; the Deposit shall be fully refundable until the end of the Due Diligence Period and the Financing Period as both are described herein; after both such Periods, the Deposit shall be non-refundable; and
 - b. The Buyer shall pay the remainder of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.
3. **TITLE AND DUE DILIGENCE.**
 - a. **Due Diligence Period.** Buyer will have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is forty-five (45) days after the date of this Agreement (the “Due Diligence Period”), unless otherwise provided herein, to complete any survey, environmental review and title examinations.

- b. Property Description. The property description contained in the deed will be a survey description based upon a survey plan (the “Premises”), to be provided by the City, that will more specifically describe the property shown on Exhibit A hereto. The Premises will be distributed to the parties hereto prior to expiration of the Due Diligence Period and the parties will agree on the property description prior to closing. The Due Diligence Period shall be extended in the event that the survey plan is not completed by the end of the Due Diligence Period and Buyer is afforded reasonable time to review the plan and make any title objections as provided below.
- c. Financing Contingency. Buyer shall have forty-five (45) days after the end of the Due Diligence Period (the “Financing Period”) to obtain commercially reasonable financing, and shall take timely and commercially reasonable steps to secure such financing.
- d. Title and Survey Objections. Buyer will have until the end of the Due Diligence Period, unless otherwise extended as provided for herein, to deliver to City any written objections to title, environmental, or survey matters (other than the permitted exceptions identified herein) that materially affect marketability or use. Objections not made prior to the end of the Due Diligence Period will be deemed waived; provided, however, that objections pertaining to matters of record first appearing after the end of the Due Diligence Period may be made at any time prior to the closing. City shall provide a copy of a Phase II environmental study completed on the Property and should the results of any such study be provided on or after the Due Diligence Period, Buyer shall be afforded reasonable time to review the results and make any objections as provided for herein.
- e. Option to Cure. In the event of a title or survey objection, City will have the option, but not the obligation, to cure the objection and will notify Buyer of its election within ten (10) business days after receipt of the objection. In the event that the City elects to cure the objection, it will have sixty (60) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the City does not elect to cure the objection, or, having elected to cure the objection fails to timely do so to Buyer’s reasonable satisfaction, Buyer will have the option to (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement), (2) waive the objection and close, or (3) undertake the cure of such objection at its own expense (in which case it shall have 60 days to do so).
- f. Deed. City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. Title shall be good and insurable title, free and clear of all encumbrances except (i) easements described herein; (ii) easements for utilities servicing the property, (ii) City ordinances, and (iii) real estate taxes not yet due and payable. Further, Buyer

acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine. Further, Buyer acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine.

4. BUYER'S INSPECTIONS.

- a. During the Due Diligence Period, Buyer and its employees, consultants, contractors and agents shall have the right, at Buyer's expense, to enter on the Premises at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things as Buyer determines, it is sole discretion, to be required to determine the suitability of the Premises for Buyer's intended use (collectively, the "Inspections"). The City acknowledges that such Inspections may include the digging of test pits, which the City hereby approves.
- b. Buyer agrees to defend, indemnify and hold harmless the City against any mechanics liens that may arise from the activities of Buyer and its employees, consultants, contractors and agents on the Premises.
- c. Buyer shall exercise the access and inspection rights granted hereunder at its sole risk and expense, and Buyer hereby releases the City from, and agrees to indemnify, defend, and hold the City harmless against, any and all losses, costs, claims, expenses and liabilities (including without limitation reasonable attorney fees and costs) (collectively, "Damages") suffered by the City on account of any injury to person or damage to property arising out of the exercise by Buyer of its rights hereunder, except to the extent that such Damages result from the act or omission of the City.

- d. Buyer shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance, if applicable, and general public liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.
 - e. In the event that Buyer does not purchase the Premises, Buyer agrees to either return the Premises as nearly as possible to its original condition after conducting the Inspections, or, at the City's option, reimburse the City for any physical damage caused to the Premises in connection with the Inspections; provided, however, the City hereby acknowledges and agrees that the term "physical damage" does not include any disturbance of any pre-existing environmental contamination on the Premises caused by such inspections, studies, tests, exams, and assessments, and that Buyer shall have no obligation to clean-up, remove or take any other action with respect to any pre-existing environmental contamination disturbed thereby.
 - f. The parties hereto acknowledge and agree that it is a condition to Buyer's obligations under this Agreement that the results of the Inspections be acceptable to Buyer in its sole discretion. If the results of such due diligence are not acceptable to Buyer in its sole discretion, and if Buyer exercises its right to terminate this Agreement, then the City shall refund to Buyer the Deposit, if previously paid, without interest, within thirty (30) days after receipt of Buyer's termination notice, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.
5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Property is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Property shall be prorated as of the closing. The Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. City is exempt from paying the transfer tax pursuant to 36 M.R.S.A. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to Buyer's financing or closing shall be paid for by Buyer.
6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the deposit as its sole remedy. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.

7. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire, eminent domain, condemnation, or otherwise, until transfer of title hereunder, is assumed by the City. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated. In the event City is not able to deliver the Premises as stated, Buyer may terminate this Agreement and receive a refund of the Deposit without interest, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.
8. **PROPERTY SOLD “AS IS, WHERE IS.”** Buyer acknowledges that Buyer has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold “as is, where is” and “with all faults.” City, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Acceptance by Buyer of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the City of every agreement and obligation contained herein.
9. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City harmless from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, costs, or expenses of any kind, including, without limitation, reasonable attorneys’, consultants’, and experts’ fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding, that may at any time be imposed upon, incurred by or asserted or awarded against Buyer or the City and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of hazardous wastes or hazardous materials and affecting all or any portion of the Premises, except to the extent that such a claim results directly from the City’s release, handling or storage of hazardous wastes or hazardous materials on the Premises. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer’s successors, assigns, and transferees.
10. **CLOSING.** Time is of the essence in the performance of this agreement. The closing shall be held at the offices of Buyer’s counsel at a time agreeable to the parties on or before the day that is five months after the date of this Agreement (the “Closing Date”). At the Closing:
- a. City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good and insurable title to the Premises, free and clear of all encumbrances except as otherwise set forth herein.

- b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City); and
- c. Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary to carry out the obligations under this Agreement.
- d. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing under Maine law, and that the individuals acting to Closing and executing documents on behalf of Buyer are authorized to do so.

11. BUYER'S POST CLOSING OBLIGATIONS; RIGHTS OF CITY TO REPURCHASE PROPERTY. Buyer agrees as follows:

- a. Buyer agrees at Closing to deposit \$50,000 to be held in escrow pursuant to an escrow agreement in form mutually acceptable to Buyer and City with a mutually acceptable escrow agent.
- b. Buyer agrees to commence development of the project depicted on the attached Plan (Exhibit B), as presented to the City's Economic Development Committee on July 19, 2017, and specifically including at least the same number of dwelling units as described in Buyer's presentation of housing as defined in Chapter 14 of the City Ordinances on the subject property (the "Project") within twelve (12) months after closing, unless the Buyer and City agree upon a revised plan due to unknown factors and economic feasibility. Buyer's commencement of Project development shall be effected by Buyer or its successors, assigns, or transferees submitting a site plan review application for the Project within 12 months after the Closing under this Agreement. If Buyer does not submit a site plan review application for the Project within one (1) year of Closing under this Agreement, then \$10,000.00 shall be released from escrow to the City's Housing Trust Fund and until an application is filed, an additional \$10,000.00 each ninety (90) days thereafter.
- c. Additionally, Buyer shall commence construction of the building that is part of the Project within thirty-six (36) months after Closing under this Agreement. If Buyer obtains site plan approval of the Project and Buyer, its successors or assigns do not commence construction of the Project by the later of thirty six (36) months after Closing under this Agreement or one hundred eighty (180) days after final approval of the Project (including, without limitation, final approval in all applicable municipal or judicial proceedings) and the expiration of all applicable appeal periods, then \$10,000 shall be released from escrow and to the City's Housing Trust Fund, and until construction on the Project is commenced, an additional \$10,000 each ninety (90) days thereafter. If no Closing takes place under this Agreement, the Buyer shall not be required to fund the escrow account nor make any payment. Upon commencement of construction, the escrow balance shall be fully released to Buyer.

12. **ENTIRE AGREEMENT.** This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Property hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.
13. **NON-WAIVER.** No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.
14. **HEADINGS AND CAPTIONS.** The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.
15. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.
16. **TIME.** The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.
17. **GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.
18. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE City:

City of Portland
ATTN: City MANAGER
389 Congress Street
Portland, ME 04101

With a copy to:

The Office of the Corporation Counsel at the
same address.

FOR Buyer:

Barrett Made

ATTN: Rob Barrett
48 Union Wharf
Portland, ME 0410

With a copy to:

Adam S. Taylor, Esq.
30 Milk Street, 5th Floor
Portland, ME 04101

19. SIGNATURES; MULTIPLE COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

20. BROKERS. City shall pay CBRE | The Boulos Company at closing a brokerage commission equal to five percent (5%) of the Purchase Price at closing to be split evenly with Porta & Company (Buyers broker). The CITY and Buyer each represent and warrant that they have not dealt with a real estate broker in connection with this transaction other than CBRE | The Boulos Company and Porta & Company. Buyer agrees to indemnify and hold harmless City from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

21. RECITALS INCORPORATED BY REFERENCE. The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed on their behalf by their duly authorized officers or representatives as of the day and year first written above.

City OF PORTLAND

WITNESS

Jon P. Jennings
Its City Manager

BARRETT MADE

WITNESS

Printed Name: Rob Barrett
Its President

Approved as to Form:

Corporation Counsel's Office

Parcel Map



1

55 Portland Street

2

44 Hanover Street

3

56 Parris Street

4

82 Hanover Street

5

65 Hanover Street

6

178 Kennebec Street

PARCEL 5

PARCEL 2

PARCEL 4

PARCEL 1

PARCEL 3

PARCEL 6

EXHIBIT A



65 HANOVER STREET PORTLAND, MAINE
PROPOSAL

PREPARED 2017.5.12

PROPOSAL FOR 65 HANOVER STREET

May 12, 2017

Re: Offer and Proposed use for 65 Hanover St. in Portland.

Barrett Made was founded in 2015 by Rob Barrett, a Portland native who grew up in Portland's East Deering neighborhood, attended Portland Public Schools and received a bachelors degree from USM. Rob started Barrett Made to provide a customer focused approach to building and design. With a diverse business model catering to a range of clients and projects, strong local ties, connections and a talented staff, Barrett Made has quickly become a household name in Greater Portland. Our current office on Union Wharf in Portland's Old Port was leased because of its central location and authentic feel, but after a year the space is too small to accommodate a rapidly growing company. Rob has been searching for a Portland location to move his business, build equity in and enact plans that will create a lasting and positive impact on the Portland community. The building at 65 Hanover Street is the perfect fit.

Below is a brief description of our proposed use of the building and phases for the renovations. There is also an attached floor plan and renderings for reference:

Phase 1

Barrett Made Offices and Work Shop - At Barrett Made we pride ourselves on collaborating with local businesses and crafts people. Our office and workshop will expand on this and be an accessible and inspiring place for us to work and for local schools (future builders!) and groups to visit.

4 City Shop Spaces - Full workshop and office combination spaces for people looking to grow their business and be located near creative like minded people. We envision metal workers, potters, painters and others.

1 Maker's Space A 20-bench open space for people who are looking to start something new or explore a hobby further in a more professional studio-like setting. This will have 24hr access through a check-in area and space to display ideas and products.

Improve the exterior of the Building Add green space and solar panels for a net zero building which will help offset utility costs for the tenants and makers.

Phase 2

25 Unit Apartment Building - We all know there is a housing shortage in Portland and my aim is to provide affordable, modern, and central housing for lower to middle income people. We see this is being a vibrant and "cool" place to live.

My goal is to make this a creative hub and an exciting addition to the City. It will provide a place for a community of people to expand on their interests, learn from their peers, and be exposed to opportunities all under the same roof. This would be a highly beneficial and positive endeavor for myself, my business, many Portlanders and the City of Portland.

Thank You For Your Consideration,

Rob Barrett
Owner, Barrett Made

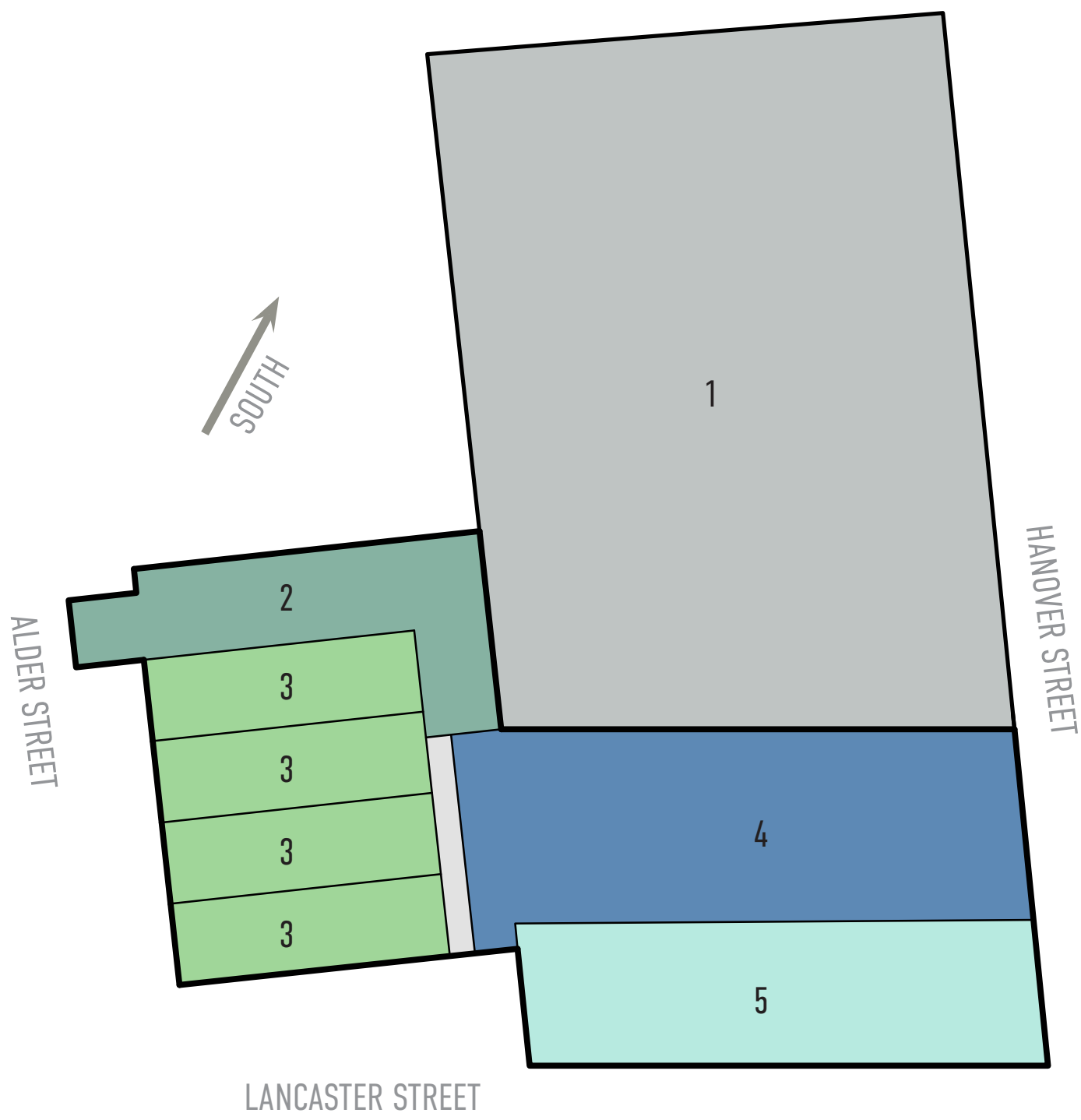


EXISTING VIEW FROM ALDER STREET





PROPOSED FLOOR PLAN DIAGRAM



EXISTING PARKING AREA	14,100 SF
MAKER SPACE	1,250 SF
'CITY SHOP' SPACES	875 SF/PER UNIT
BARRETT MADE SHOP SPACE	4,300 SF
BARRETT MADE OFFICES/STUDIO	2,950 SF





Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: September 14, 2017

SUBJECT: **Sale of 178 Kennebec Street (Parcel 6 in Bayside)**
Discussion and Vote to Recommend Purchase and Sale Agreement to the City Council

I. One Sentence Summary

Vote to recommend to the City Council a Purchase and Sale Agreement to sell City property of approximately .22 acres of land located at 178 Kennebec Street to Ross Furman for \$250,000.

II. Background

It has been the long-term goal to sell this and other Public Works Bayside properties per the Year 2000 Bayside Vision. To support these property sales, the City Council approved the acquisition of property along Canco Road which has been and continues to be redeveloped to support the relocation of Public Works operations from Bayside and other City Departments.

The subject property has been used for Public Works for parking purposes. See attached property location map.

Public meetings to discuss the sale of Bayside former Public Works Properties have been held on 1/3/2017, 1/31/2017, 2/27/2017, 3/7/2017, 6/27/2017, and 7/19/2017.

Under the direction of the EDC, staff has negotiated this Purchase and Sale Agreement with Ross Furman. Mr. Furman's proposal, with Nathan Szanton as a partner, includes ground-level retail and/or artist studio space, and approximately 50 units of housing on the upper floors. The housing would be rental – a mix of studio, 1-, 2-, and 3-bedroom apartments, with an expected income mix targeted at 35% market rate, and 65% affordable (aimed at those at or below 60% of the area median income).

III. Intended Result and/or Council Goal Addressed

The intended result would be the sale of this property for development of mixed uses – business and residential. It also supports the Council’s long-term goal to sell Public Works Bayside properties to support Public Works relocation out of Bayside.

IV. Financial Impact and Purchase and Sale Agreement Highlights

If sold, the City would realize property sale proceeds in the amount of \$250,000 and future new taxes from the proposed development.

Also, provisions are included to ensure future payment of property taxes in the event of non-profit ownership.

The appraised value of this property in an “as is, where is” condition is \$290,000. Buyer will provide the City with environmental indemnification and be responsible for any site environmental remediation costs.

Proceeds from the sale of this and other Bayside property will be utilized to fund the relocation of remaining Public Works operations out of Bayside.

Also, Developer performance requirements are included in the Purchase and Sale Agreement.

V. Staff Analysis and Recommendation

Staff recommends that the EDC vote to recommend approval of the proposed Purchase and Sale Agreement, in substantial conformance as attached, to the City Council.

Attachments: Proposed Purchase and Sale Agreement and its Exhibits:
a. Bayside Parcel Map
b. Developer’s Project Proposal

Parcel Map



1

55 Portland Street

2

44 Hanover Street

3

56 Parris Street

4

82 Hanover Street

5

65 Hanover Street

6

178 Kennebec Street

PARCEL 5

PARCEL 4

PARCEL 2

PARCEL 1

PARCEL 3

PARCEL 6

EXHIBIT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this _____ day of _____, 2017 by and between the City OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (hereinafter referred to as “Seller” or “City”), and Ross Y. Furman, an individual having a mailing address of Box Two, Portland, ME 04112 (hereinafter referred to as “Buyer”).

RECITALS

WHEREAS, the CITY is the owner of approximately .22 acres of land at 178 Kennebec Street, Portland, Maine as generally depicted on the plan attached hereto as Exhibit A (the “Premises”) and incorporated herein; and

WHEREAS, Buyer desires to purchase the Premises, and the City desires to convey the Premises to Buyer, subject to all easements of record and any other existing easements burdening the Premises;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. **SALE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement. This Agreement is for the sale of land only.
2. **CONSIDERATION.** The purchase price for the Premises shall be the lesser (the “Purchase Price”) of: Two Hundred and Fifty Thousand Dollars (\$250,000.00) and the product of Twenty-Five Dollars (\$25.00) times the number of square feet comprising the Premises as shown a pending and soon to be completed boundary survey of the Premises being done by or for the City (at its expense), subject to the following cost adjustments and conditions:
 - a. Buyer shall deposit in the sum of Twenty-Five Thousand Dollars (\$25,000.00) (the “Deposit”) within 3 business days after the full execution of this Agreement that the parties agree will be held in escrow as of the date of this Agreement, in a non-interest bearing account with CBRE | The Boulos Company; the Deposit shall be refundable only in accordance with the terms of this Agreement, including without limitation, the provisions of sections 4(f), 6, 7 and 10; and
 - b. The Buyer shall pay the remainder of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.

3. TITLE AND DUE DILIGENCE.

- a. Due Diligence Period. Buyer will have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is forty-five (45) days after the date of this Agreement (the “Due Diligence Period”) to complete any survey, environmental review and title examinations.
- b. Property Description. The property description contained in the deed will be a survey description based upon a survey plan (the “Premises”) that will more specifically describe the property shown on Exhibit A hereto. The survey will be distributed to the parties hereto prior to expiration of the Due Diligence Period and the parties will agree on the property description prior to closing.
- c. Financing Contingency. Buyer shall have from the date of this Agreement until 4:00 PM Eastern Daylight Savings Time on the day that is forty-five (45) days after the date of this Agreement (the “Financing Period”) to obtain commercially reasonable financing, and shall take timely and commercially reasonable steps to secure such financing.
- d. Title and Survey Objections. Buyer will have until the end of the Due Diligence Period to deliver to City any written objections to title, environmental, or survey matters (other than the permitted exceptions identified herein) that materially affect marketability or use. Objections not made prior to the end of the Due Diligence Period will be deemed waived; provided, however, that objections pertaining to matters of record first appearing after the end of the Due Diligence Period may be made at any time prior to the closing.
- e. Option to Cure. In the event of a title or survey objection, City will have the option, but not the obligation, to cure the objection and will notify Buyer of its election within ten (10) business days after receipt of the objection. In the event that the City elects to cure the objection, it will have sixty (60) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the City does not elect to cure the objection, or, having elected to cure the objection fails to timely do so to Buyer’s reasonable satisfaction, Buyer will have the option to (1) terminate this Agreement and obtain a refund of the Deposit (after which neither party will have any further obligation or liability to the other under this Agreement), (2) waive the objection and close, or (3) undertake the cure of such objection at its own expense (in which case it shall have 60 days to do so).

- f. Deed. City shall convey the Premises to Buyer at the closing in fee simple by a municipal quitclaim deed without covenant. Title shall be good and insurable title, free and clear of all encumbrances except (i) easements described herein; (ii) easements for utilities servicing the property, (ii) City ordinances, and (iii) real estate taxes not yet due and payable. Further, Buyer acknowledges that the deed shall contain a restriction stating that in the event that the Premises or any portion thereof shall be exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion shall make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine.

4. INSPECTIONS.

- a. During the Due Diligence Period, Buyer and its employees, consultants, contractors and agents shall have the right, at Buyer's expense, to enter on the Premises at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things as Buyer determines, it is sole discretion, to be required to determine the suitability of the Premises for Buyer's intended use (collectively, the "Inspections"). The City acknowledges that such Inspections may include the digging of test pits, which the City hereby approves.
- b. Buyer agrees to defend, indemnify and hold harmless the City against any mechanics liens that may arise from the activities of Buyer and its employees, consultants, contractors and agents on the Premises.
- c. Buyer shall exercise the access and inspection rights granted hereunder at its sole risk and expense, and Buyer hereby releases the City from, and agrees to indemnify, defend, and hold the City harmless against, any and all losses, costs, claims, expenses and liabilities (including without limitation reasonable attorney fees and costs) (collectively, "Damages") suffered by the City on account of any injury to person or damage to property arising out of the exercise by Buyer of its rights hereunder, except to the extent that such Damages result from the act or omission of the City.
- d. Buyer shall cause any contractors, consultants or any other party conducting the Inspections to procure automobile insurance, if applicable, and general public liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and

property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.

- e. In the event that Buyer does not purchase the Premises, Buyer agrees to either return the Premises as nearly as possible to its original condition after conducting the Inspections, or, at the City's option, reimburse the City for any physical damage caused to the Premises in connection with the Inspections; provided, however, the City hereby acknowledges and agrees that the term "physical damage" does not include any disturbance of any pre-existing environmental contamination on the Premises caused by such inspections, studies, tests, exams, and assessments, and that Buyer shall have no obligation to clean-up, remove or take any other action with respect to any pre-existing environmental contamination disturbed thereby.
- f. The parties hereto acknowledge and agree that it is a condition to Buyer's obligations under this Agreement that the results of the Inspections be acceptable to Buyer in its sole discretion. If the results of such due diligence are not acceptable to Buyer in its sole discretion, and if Buyer exercises its right to terminate this Agreement, then the City shall refund to Buyer the Deposit, if previously paid, without interest, within thirty (30) days after receipt of Buyer's termination notice, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.

- 5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the start of fiscal year following the closing and continuing thereafter. Because the Property is currently owned by the City of Portland, which is exempt from real estate taxes, no taxes were assessed or will be due for any portion of the current fiscal year, and no taxes will be prorated at the closing. Any utilities for the Property shall be prorated as of the closing. The Maine real estate transfer tax attributable to Buyer's one half shall be paid for by Buyer in accordance with 36 M.R.S.A. § 4641-A. City is exempt from paying the transfer tax pursuant to 36 M.R.S.A. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to Buyer's financing or closing shall be paid for by Buyer.
- 6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the deposit as its sole remedy. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.
- 7. **RISK OF LOSS.** The risk of loss or damage to the Premises by fire, eminent domain, condemnation, or otherwise, until transfer of title hereunder, is assumed by the City. The Premises is to be delivered in substantially the same condition as of the date of this Agreement unless otherwise stated. In the event City is not able to deliver

the Premises as stated, Buyer may terminate this Agreement and receive a refund of the Deposit without interest, and neither party shall have any further obligations or liabilities under this Agreement except as expressly set forth in this Agreement.

8. **PROPERTY SOLD “AS IS, WHERE IS.”** Buyer acknowledges that Buyer has had an opportunity to inspect the Premises, and to hire professionals to do so, and that Premises will be sold “as is, where is” and “with all faults.” City, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Acceptance by Buyer of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the City of every agreement and obligation contained herein.
9. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City harmless from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, costs, or expenses of any kind, including, without limitation, reasonable attorneys’, consultants’, and experts’ fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding, that may at any time be imposed upon, incurred by or asserted or awarded against Buyer or the City and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of hazardous wastes or hazardous materials and affecting all or any portion of the Premises, except to the extent that such a claim results directly from the release, handling or storage of hazardous wastes or hazardous materials on the Premises. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer’s successors, assigns, and transferees.
10. **CONDITIONS PRECEDENT TO CLOSING.** The City shall pursue removal of the restrictions limiting development of and burdening the Premises stated or described in the deed to the City from the State of Maine dated September 26, 2005 and recorded in the Cumberland County Registry of Deeds in Book 23202, Page 38. In the event the City is unable to obtain such removal prior to the Closing Date, as defined below, the, unless Buyer elects to waive such restrictions in writing, the City shall refund the Deposit, if previously paid, without interest, and this Agreement shall be terminated and neither party shall have any further obligations or liabilities under this Agreement. Buyer acknowledges and agrees that the City is acting as Seller, and not in its regulatory capacity, in connection with this Agreement. The acceptance or recording of a deed to the Buyer of the Premises will be conclusive and final evidence of the consent by Buyer to the waiver or completion of all these conditions.

11. CLOSING. Time is of the essence in the performance of this agreement. The closing shall be held at the offices of Buyer's counsel at a time agreeable to the parties on or before the day that is five months after the date of this Agreement (the "Closing Date"). At the Closing:

- a. City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed conveying to Buyer good and insurable title to the Premises, free and clear of all encumbrances except as otherwise set forth herein.
- b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer; and
- c. Each party shall deliver to the other such other documents, certificates and the like as may be required herein or as may be necessary to carry out the obligations under this Agreement.
- d. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing under Maine law, and that the individuals acting to Closing and executing documents on behalf of Buyer are authorized to do so.

12. BUYER'S POST CLOSING OBLIGATIONS; RIGHTS OF CITY TO REPURCHASE PROPERTY. Buyer agrees to commence development of the project depicted on the attached Plan (Exhibit B), as presented to the City's Economic Development Committee on July 19, 2017, and specifically including at least the same number of dwelling units depicted therein (the "Project") within twelve (12) months after closing. If Buyer, its successors, assigns, or transferees fails to submit a complete site plan review application for the Project on the Property within 12 months after the closing, and construct the buildings which are part of the Project within thirty (30) months after closing, the City shall have the right, but not the obligation, to repurchase the Premises at the lesser of (1) the Purchase Price plus all construction and approval expenses incurred by Buyer, or successors, to that juncture, or (2) the fair market value of the Premises determined by an appraiser agreed upon by the parties. The provisions of this paragraph will survive closing, and the City's deed to Buyer shall include a reference to the City's option to repurchase the Premises, and/or a Declaration of Covenants, Conditions and Restrictions, and Option to Repurchase with the provisions of this paragraph with greater detail, executed before or at the time of Closing, shall be recorded in the Cumberland County Registry of Deeds. This right to repurchase shall be assignable by the City

13. ENTIRE AGREEMENT. This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Property hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.

14. **NON-WAIVER.** No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.
15. **HEADINGS AND CAPTIONS.** The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.
16. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.
17. **TIME.** The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.
18. **GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.
19. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE City:

City of Portland
ATTN: City MANAGER
389 Congress Street
Portland, ME 04101

With a copy to:

The Office of the Corporation Counsel at the
same address.

FOR Buyer:

Ross Y. Furman
Box Two
Portland, ME 04112

With a copy to:

Timothy H. Norton, Esq.
Kelly, Remmel & Zimmerman
53 Exchange Street
P.O. Box 597

Portland, ME 04112

20. **SIGNATURES; MULTIPLE COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

21. **BROKERS.** City shall pay CBRE | The Boulos Company at closing a brokerage commission equal to five percent (5%) of the Purchase Price at closing. The CITY and Buyer each represent and warrant that they have not dealt with a real estate broker in connection with this transaction other than CBRE | The Boulos Company. Buyer agrees to indemnify and hold harmless City from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.

22. **RECITALS INCORPORATED BY REFERENCE.** The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

23. **ASSIGNMENT.** Buyer may assign his rights and obligations under this Agreement to a limited liability company or other entity prior to Closing and the City shall acknowledge and consent to such assignment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers or representatives, as of the day and year first written above.

City OF PORTLAND

WITNESS

Jon P. Jennings
Its City Manager

WITNESS

ROSS Y. FURMAN

Approved as to Form:

Corporation Counsel's Office

Parcel Map



1 2 3 4 5 6

55 Portland Street

44 Hanover Street

56 Parris Street

82 Hanover Street

65 Hanover Street

178 Kennebec Street

PARCEL 5

PARCEL 2 PARCEL 1

PARCEL 4

PARCEL 3

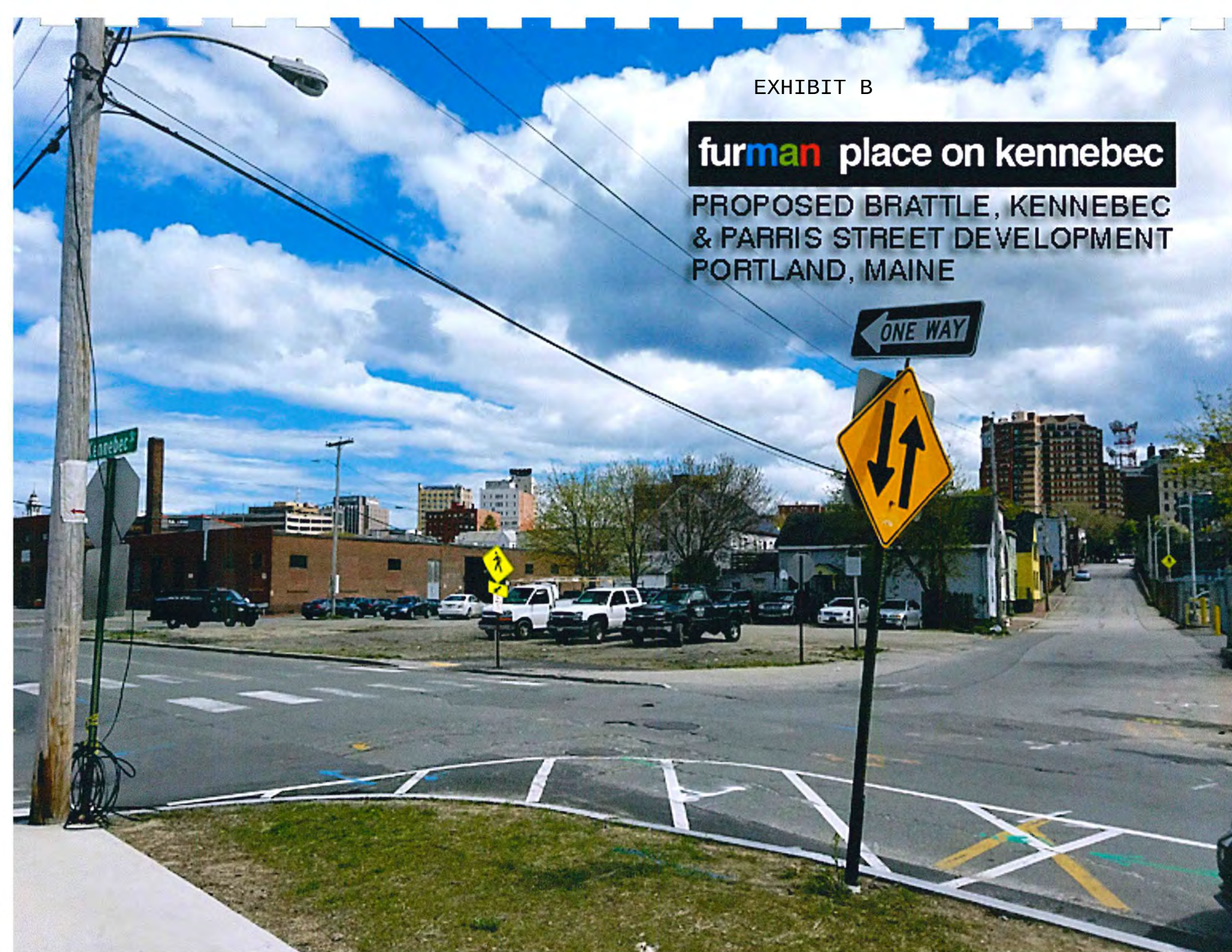
PARCEL 6

EXHIBIT A

EXHIBIT B

furman place on kennebec

PROPOSED BRATTLE, KENNEBEC
& PARRIS STREET DEVELOPMENT
PORTLAND, MAINE



The Szanton Company

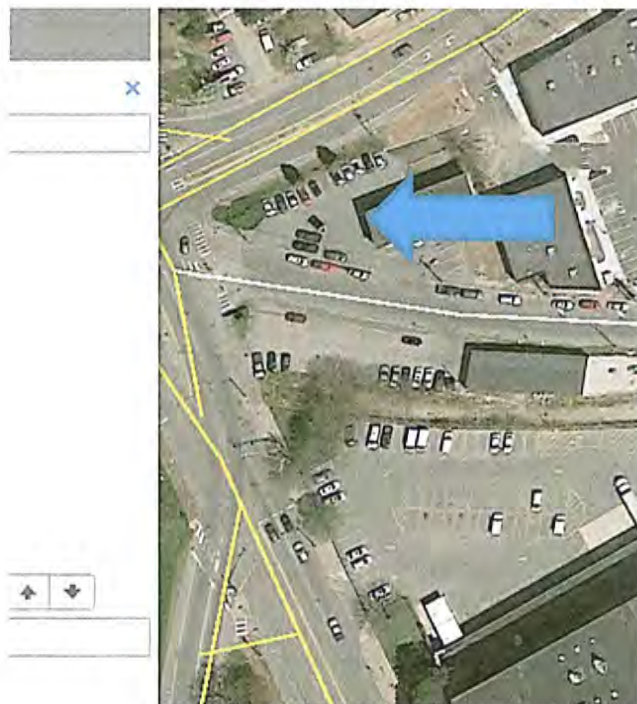
The mission of The Szanton Company (TSC) is to create comfortable, attractive, and affordable rental housing. We do this by:

- Creating beautiful apartments of high quality in locations in or near downtowns, adding vitality to our cities and towns;
- Serving people with diverse incomes;
- Incorporating the highest standards of environmental responsibility in our properties, thereby minimizing their impact on the earth's environment;
- Creating amenities for our residents which enhance their quality of life;
- Building properties which provide a consistent financial return to their owners, thus ensuring their stability for residents, lenders, investors, and neighborhoods.

We have extensive experience developing multifamily rental properties in Maine and New Hampshire, including seven existing properties totaling 334 units. Three of these are in Portland: Casco Terrace at 41 State Street; Walker Terrace at 1 Walker Street and 53 Danforth Street. We have two additional properties in the development pipeline, a 59-unit project under construction in Bath, Maine, and a 63-unit project in pre-development in Lewiston, Maine.

We have partnered with Ross Furman to provide housing on land he owns on the block bordered by Kennebec, Parris, Brattle and Lancaster Streets.

We understand that the last piece of the block (approximately 10,000 square feet closest to and abutting Kennebec St.) is subject to the City's RFP process.



Project Details

We are working with Ross Furman's team to incorporate housing into their multi-phase development of the block. Included in these materials is a site plan showing the block and the three phases of development. Conceptually, the first phase would include the area closest to Kennebec Street. It would include ground-level retail and/or artist studio space with approximately 50 units of housing on the upper floors. The housing would be rental, a mix of studio, 1-, 2-, and 3-bedroom apartments. We've included a concept floor-plan of Phase One.

The site has some unique advantages for residential development:

- The City has identified the Bay Side neighborhood as a priority for redevelopment. Kennebec Street is a prominent street in Bayside, and street-level retail will dovetail well with surrounding buildings.
- A mixed-use residential/retail building will bring new residents to live, work, and shop in Bayside, reinforcing the urban fabric and adding new vitality to the core of the City.
- The site is within walking distance of a variety of services and destinations for daily living (e.g., banks, library, schools, Deering Oaks, etc.) as well as employers and public transportation.

We expect the income mix targeted for this development will be 35% market rate, and 65% affordable (aimed at those at or below 60% of the area median income.)

The residents are intended to mirror the mix of people, incomes, and occupations in Portland. We have seven other properties with similar unit mixes and we know that tenants in income-restricted units will include people with jobs at the lower end of the wage scale, such as nurse's aides, entry-level workers in local businesses, clerks, artists, etc. The market-rate units are likely to have attorneys, doctors, or other urban professionals as tenants.

Management



We have an in-house property management company called Saco Falls Management (SFM). Our staff is dedicated to making our residents the central focus of our organization and creating a rental experience which far exceeds our residents' expectations, both in level of upkeep of properties and responsiveness to their needs.

For more information on our management company, please visit www.sacofallsmanagement.com.



April 26, 2017

Mr. Nate Stevens
CBRE/The Boulos Company
One Canal Plaza
Portland, ME 04101

RE: Ross Furman: Portland Public Works property

Dear Nate:

I am writing to inform you that Gorham Savings Bank has been doing business with Ross Furman since September of 2006. He has handled his banking relationship in a fully satisfactory manner. Based on Ross' history with the Bank, he has exhibited the financial capacity to complete the proposed purchase of the Portland Public Works property.

If you should need further information, please call me at 222-1498.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. G. Proctor", is written over the word "Sincerely,".

Frederick G. Proctor
Vice President

Cc: Ross Furman

KENNEBEC STREET

PHASE ONE

PHASE TWO

Existg 3 Story Gable
Roof Building

BLOCK & BRICK BUILDING

New 4 Story Building

Existg Single Story
Flat Roof Structure

PHASE THREE

BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT

PHASED DEVELOPMENT SITE PLAN - APPROX: 42,120 GSF

ARCADIA
06-2017 *designworks*



A - Apartment
 R - Retail
 MU - Mechanical/Utility

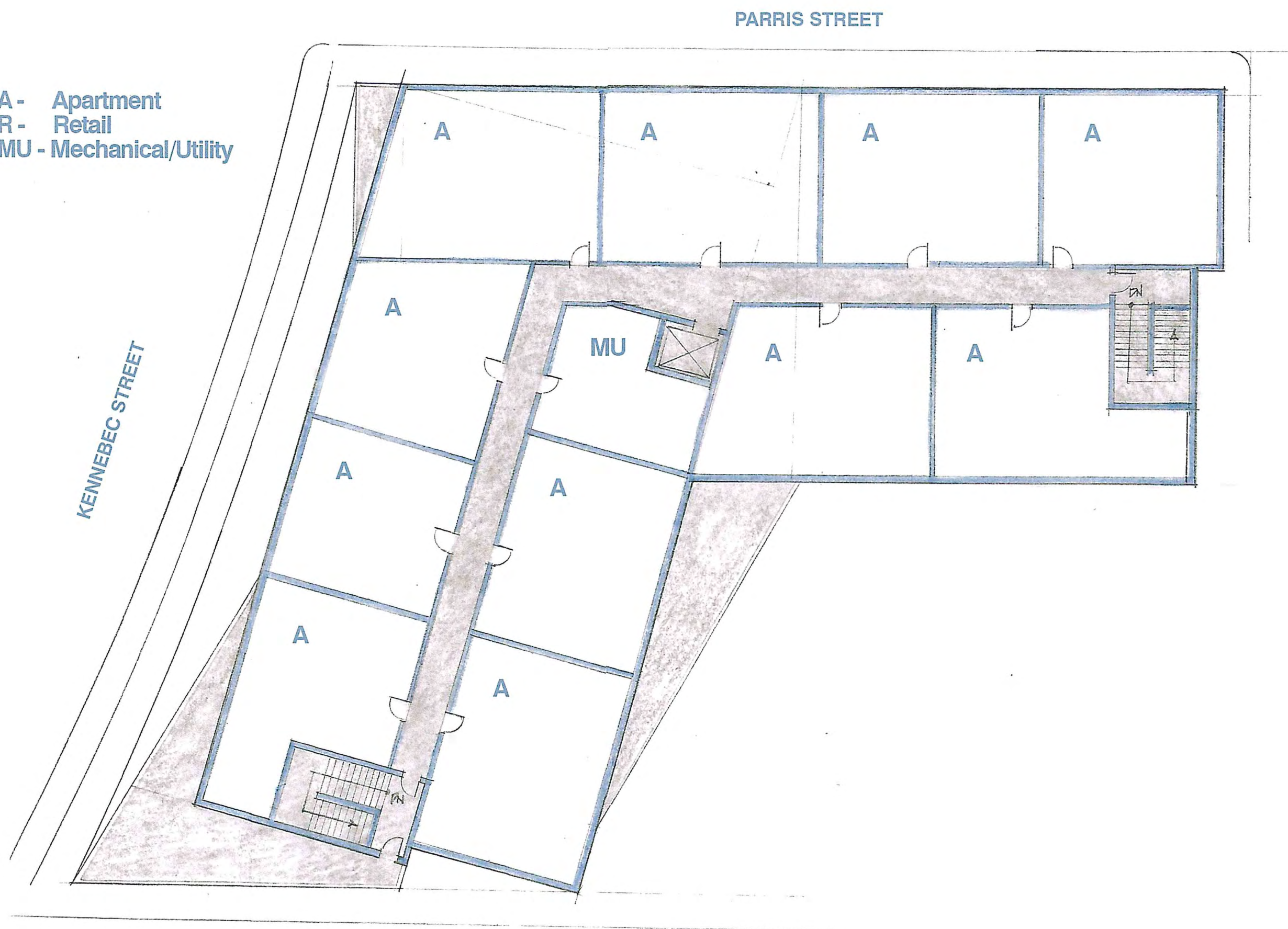


furman place on kennebec

BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT
BUILDING CONCEPT - GROUND LEVEL PLAN 13,088 GSF

ARCADIA
 06-2017 designworks

A - Apartment
R - Retail
MU - Mechanical/Utility



furman place on kennebec

BRATTLE/KENNEBEC/PARRIS STREET DEVELOPMENT
BUILDING CONCEPT - UPPER LEVEL PLAN

13,088 GSF

ARCADIA
06-2017 designworks





**PHASE TWO:
NEW SYSTEMS - ARTIST STUDIOS AND
NEW MEDIA & DESIGN OFFICE BUILDING
PORTLAND, MAINE**

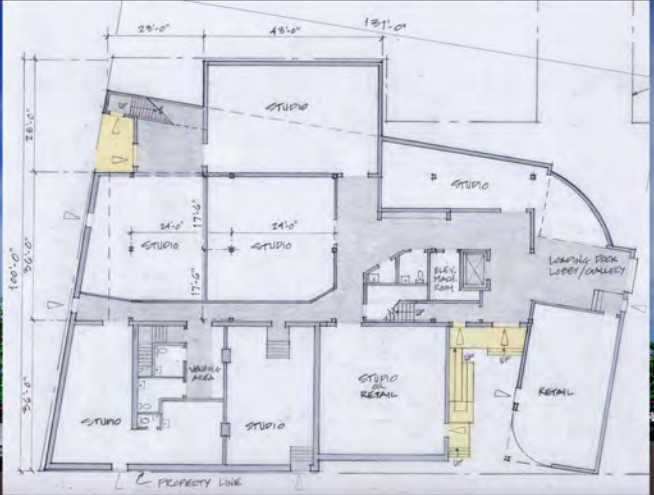
**PHASE ONE:
FURMAN PLACE - AFFORDABLE
HOUSING AND COMMERCIAL
RETAIL BUILDING**

**BUILDING FACADE FORMS
STREET FRONT. LAND AND HARDSCAPING
PROVIDED FOR PUBLIC USE AND COMPLIMENTARY
TO PORTLAND TRAILS RIGHT OF WAY.**

**5-STORY BUILDING CONSTRUCTED USING GREEN, AFFORDABLE
MATERIALS AND ENERGY EFFICIENT MECHANICAL SYSTEMS, ENABLING
65% AFFORDABLE HOUSING AND 35% MARKET RATE APARTMENTS.**

**BUILDING PROVIDES AFFORDABLE SPACE FOR ARTIST STUDIOS ON THE 1ST AND 2ND
LEVELS AND NEW MEDIA AND DESIGNER STUDIOS ON THE 3RD AND 4TH LEVELS.**

OFF STREET PARKING AND BUILDING COMMONS GARDEN AREA.





Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Economic Development Committee (EDC)

FROM: Greg Mitchell, Economic Development Director

DATE: September 15, 2017

SUBJECT: **Land Bank Commission's Recommendation to City Council**
Re: Placing Certain Tax-Acquired and City-owned Vacant Land Lots
in the Land Bank in the Redlon Area of Portland

I. One Sentence Summary

Vote to recommend to the City Council the placement of certain tax-acquired and City-owned vacant land lots into the Land Bank, as well as a portion of a private, donated piece.

II. Background

At the January 3, 2017 EDC meeting, the Committee was updated on the Land Bank Commission's goal since the early 2000's to protect land in the Redlon area of Portland where green space is a "park desert" (i.e., more than one-half mile to nearest park or trail), identified by 2014 Open Space Vision Plan as a priority area for open space/park/trail development. Attachment 1 is a map showing the general location of this Redlon area the LBC wants to protect. It is noted that the land is forested, very wet, with pockets of granite outcroppings and ledge.

In this Redlon area, there are several tax-acquired vacant land lots, as well as a few City-owned vacant land lots, that the LBC would like to have the City Council place into the Land Bank, in addition to a private, donated piece.

III. Intended Result and/or Council Goal Addressed

The intended result would be the placement of these tax-acquired and City-owned vacant land parcels, containing 2.7 acres, as well as the private, donated piece, in the Land Bank to protect its natural state and provide green space in the Redlon area.

IV. Financial Impact

There is no financial impact to place the City-owned vacant land parcels in the Land Bank. Additionally, for the City's tax-acquired properties, the City is no longer receiving annual property taxes.

V. Staff Analysis

Staff recommends that the EDC vote to recommend approval of the placing the following tax-acquired vacant land parcels and City-owned vacant land parcels, as well as the private, donated piece, in the Land Bank for protecting this green space in the Redlon area:

Tax-Acquired Vacant Land Parcels:

177-F-20
177-F-21
177-F-22
193-B-6
193-B-7
193-C-1
193-C-3
193-C-4
193-C-5
193-C-6
193-C-7
193-C-14
193-C-15
193-C-16
193-C-17
193-C-18
193-C-19
193-C-20
193-D-3
193-D-4

City-Owned Vacant Land Parcels:

177-F-23
179-F-19
193-C-2

Donated Property:

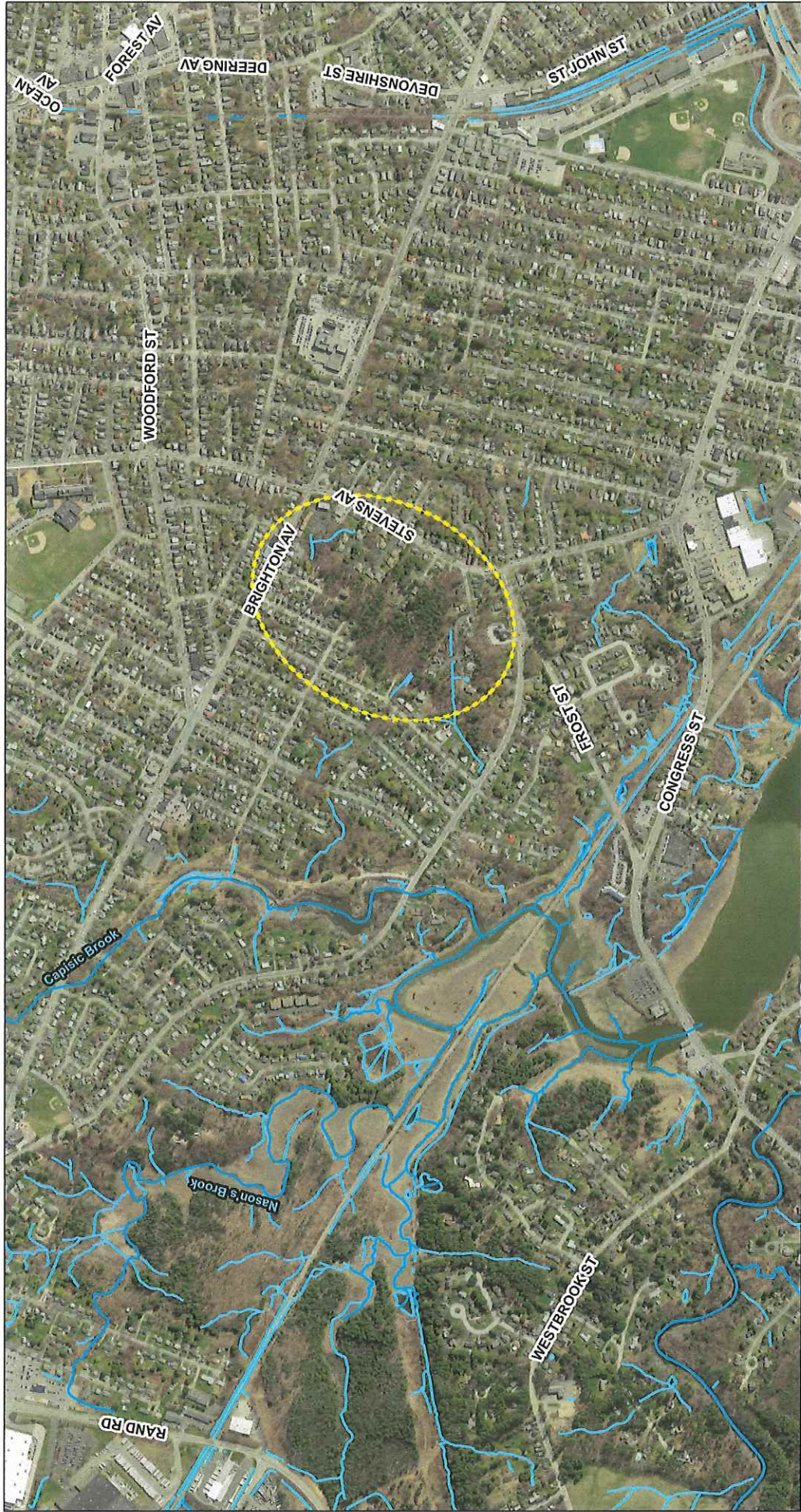
Part of 193-E-31

VI. Land Bank Recommendation

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At the LBC meeting on September 14, 2017, it unanimously to recommend to the City Council to place the properties listed above into the Land Bank for protection of this green space in the Redlon area.

Attachments:

- Map Showing General Location of Redlon Woods
- Map Highlighting Subject Parcels
- Redlon Woods Fact Sheet
- Map Highlighting Redlon Woods Trail Concept Plan



General Location of Redlon Woods, Portland, ME

Portland Land Bank Commission
Map by City of Portland DPW 10/4/2016



0 350 700 1,400 Feet
Scale: 1 Inch = 700 Feet



General Location of Redlon Woods



- Legend**
- City Tax Acquired
 - Taylor Lots
 - Berry Lots Group 1
 - Berry Lots Group 2
 - City Owned
 - Cott Donation

Redlon Park Open Space

Portland Land Bank Commission

Map by City of Portland DPW 9/23/2016



Redlon Woods Fact Sheet

- Approximately 5 acres of open space in densely populated residential neighborhood
- Land is forested, very wet, with pockets of granite outcroppings and ledge.
- Because of development costs in rocky and wet areas, only viable development opportunities are most likely high-end single family homes similar to those in “Redlon Park” neighborhood.
- Land is located in a “park desert” (i.e. more than ½ mile to nearest park or trail), identified by 2014 Open Space Vision Plan as priority areas for open space/park/trail development.
- Public Works Department staff indicated that the property is valuable for storm water management function.
- Parks, Recreation and Facilities Department staff sees the property as a valuable addition to the open space network, and provides excellent outdoor recreation and trail opportunities.
- Redlon Woods property provided the catalyst for the creation of the Land Bank in early 2000’s. While the city does own 3 small lots there, much of the land is unprotected.
- Land Bank Commission proposes to preserve this land as open space through a combination of purchases, donations, and converting land from tax-acquired status to Land Bank.
- Land is Currently owned by the following parties:
 - City of Portland: owns 3 lots outright.
 - City of Portland: holds 17 lots as tax-acquired property. Land Bank has voted to put these tax-acquired properties in the Land Bank. Tax Acquired Property Committee has moved to allow that request, pending City Manager and City Council authorization/approval.
 - Berry Family: owns 19 lots, willing to sell. Appraised at \$48,000
 - Taylor Family: owns 4 lots, willing to sell. Appraised at \$16,000
 - Cott Family: owns 1 lot, willing to donate.
- Land Bank has funds to purchase Berry and Taylor lots, and has voted to move forward with having the City negotiate acquisition.
- Economic Development Department staff are willing and able to assist with negotiation of sale of Berry and Taylor lots.
- The long term vision is that the land would be preserved in its present condition as open space and placed in the Land Bank.
- Minimal trail development (privately funded through Portland Trails or Land Bank) and an access point could tie it into the network of trails throughout Portland.
- Next steps:
 - City Manager notification/approval
 - City Council notification/approval
 - Negotiation and purchase (Economic Development)
 - Land Bank protection for the entire property
 - Trail development

Redlon Woods Trail Concept Plan

Tracks
Redlon Loop
Access Point

Tracks
Redlon Vernal Pool
Access Point

Potential trail routes for Redlon Woods property.

Some sections exist as informal routes already.

Improvements would be minimal, probably less than a week's worth of work for volunteer groups.

Plan updated 1/23/17

